

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

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: 12/12/2011

LEASE No. GS-09B-02812

THIS LEASE, made and entered into this date between Pacific Rim Business Centre, LLC

whose address is: 821 Kuhn Drive, Suite 100  
Chula Vista, CA 91914-4508

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:  
16,286 rentable square feet (r.s.f.), yielding approximately 13,698 ANSI/BOMA Office Area square feet and related space located at 2297 Niels Bohr Court, Suite 101 and Suite 207, San Diego, CA 92154-7928 together with forty (40) reserved, on-site surface and secured parking spaces, as depicted on the attached Exhibit A, "First Generation Blue Line Plan" and Exhibit B, "Parking Plan" to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION
2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.
3. The Government shall pay the Lessor annual rent of:  
Years 1-5: \$619,170.73 (\$38.02/RSF) at the rate of \$51,597.56 per month in arrears; consisting of Shell Rent at \$22.26/RSF, Operating Costs at \$6.72/RSF and TI at \$9.04/RSF (rounded).  
Years 6-10: \$541,998.08 (\$33.28/RSF) at the rate of \$ 45,166.51 per month in arrears consisting of Shell Rent of \$26.56/RSF and Operating Costs of \$6.72/RSF.

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

Pacific Rim Business Centre, LLC  
821 Kuhn Drive, Suite 100  
Chula Vista, CA 91914-4508

4. The Government may terminate this lease in whole or in part effective at any time on or after the fifth (5<sup>th</sup>) year of this lease by giving at least ninety (90) 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.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The forty (40) parking space(s) described in Paragraph 1 and additional spaces as 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 design intent drawings. 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. GS-09B-02812 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) Sheets no. 1-3 containing Paragraphs 9-23;
- b) The Solicitation For Offers Number GS-09B-02812 (pages 1-47) (all references to SFO shall also refer to any Special Requirements and Amendments);
- c) San Diego SFO GS-09B-02812 Attachment #1 - Project Requirements (Feb 2011), 13 pages;
- d) San Diego SFO GS-09B-02812 Attachment #2- Facility Standards, 20 pages;
- e) San Diego SFO GS-09B-02812 Attachment #3 - Cabling Standards v7\_1, 55 pages;
- f) San Diego SFO GS-09B-02812 Attachment #4 - TFS\_SECT6\_Partition Types\_2010DEC, 18 pages;
- g) San Diego SFO GS-09B-02812 Attachment #5 - TFS\_SECT7\_Door Hardware\_2010DEC, 11 pages;
- h) San Diego SFO GS-09B-02812 Attachment #6 - TFS\_SECT8\_Guidelines\_2010DEC, 50 pages;
- i) San Diego SFO GS-09B-02812 Attachment #7 [REDACTED];
- j) San Diego SFO GS-09B-02812 Amendment #1 - 1 page, dated 6/27/11;
- k) San Diego SFO GS-09B-02812 Amendment #2 - 4 pages, dated 9/22/11;
- l) GSA Form 3517B (pages 1-33);
- m) GSA Form 3518 (pages 1-7);
- n) Exhibit A, "First Generation Blue Line Plan" ;
- o) Exhibit B, "Parking Plan".

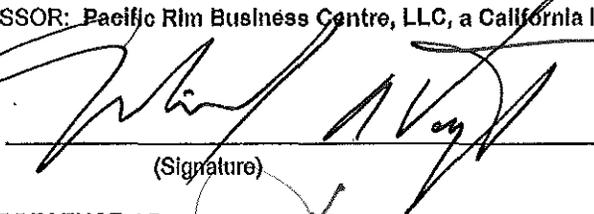
8. The following changes were made in this lease prior to its execution:

Paragraphs 2 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 23 have been added.

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

LESSOR: Pacific Rim Business Centre, LLC, a California limited liability company

BY

  
 \_\_\_\_\_  
 (Signature)

(Signature)

IN PRESENCE OF:

  
 \_\_\_\_\_  
 (Signature)

821 KUHN DRIVE #100  
 CHULA VISTA CA 91914

(Address)

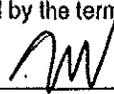
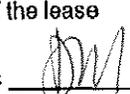
UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY

  
 \_\_\_\_\_  
 CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02812

9. **TERM:** 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 ten (10) year term in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.
10. **DELIVERY DATE:** The Lessor shall have 65 working days from the Government's Notice to Proceed to complete the build-out of the entire space in accordance with SFO #GS-09B-02812, Paragraph 1.9.
11. **OPERATING COST:** Pursuant to Paragraph 4.2 of SFO #GS-09B-02812, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$6.72 per rentable square foot per annum.
12. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to 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 rate will be reduced by \$3.75 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon SF-2 Paragraph 11, "Operating Cost".
13. **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 (M-F: 8 am-8 pm, Sat: 9 am-4 pm and Sun: 9 am-4 pm, except for Federal Holidays ("Normal Hours"), at a rate of \$22.00 per hour.
14. **24 HOUR ROOMS:** Pursuant to SFO Section 4.6 "Utilities", 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 utility cost(s) for the 24 hour room(s) shall be provided by the Lessor at a rate of \$0.00 per hour.
15. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the (five) 5 year firm term of the lease agreement at an interest rate (amortization rate) of 7.5% per year.
16. **BUDGET AND PRICE PROPOSALS / CONSTRUCTION SCHEDULE**
  - A. The Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 4.21 (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 4.14, "Tenant Improvements Price Proposal," must be based up the results of a competitive proposal process meeting the entire requirement of SFO Paragraph 4.14B, (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 the 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 4.21 "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall also include adequate time for additional review by the Government of Working Drawings/Construction Drawings. All references to "working days" in Paragraph 4.21, "Construction Schedule of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
17. **INSPECTION OF PREMISES / ACCEPTANCE OF SPACE:**
  - A. The following is added to Paragraph 4.21G (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 ten (10) working days of acceptance.
  - C. Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 15 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government received the final tenant improvement costs.
  - D. 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.
18. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Service Administration Contracting Officer. This contract is between GSA and Pacific Rim Business Centre, LLC. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term of the lease

Initials:  &   
Lessor & Government

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02812

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. **DEFINITIONS:** 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. **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 lease 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.
21. **COMMISSION AND COMMISSION CREDIT:**  
For the purposes of this transaction, Carpenter/Robbins Commercial Real Estate, Inc. ("the Broker") is the authorized contractor real estate broker representing GSA. Lessor shall pay a commission to the Broker as evidenced by that certain brokerage agreement between the Offeror/Lessor and the Broker, executed upon 8/29/2011.

Broker has agreed to forego a portion of the commission that it is entitled to receive in connection with the contemplated Lease. The resulting total dollar value of the foregone commission (the "Commission Credit") shall be applied in equal monthly amounts against rental payments due and owing under the Lease. The rental amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. Commissions and/or credits will be treated as confidential financial information and the parties will refrain from public disclosure or using the information for any other purpose than that for which it was furnished without consent of the GSA Lease Contracting Officer.

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. For the benefit of the Government, the Broker has agreed to accept [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 3 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 \$51,597.56 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$51,597.56 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$51,597.56 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

22. **LESSOR'S TENANT IMPROVEMENT FEE SCHEDULE:** The following fee schedule will be applicable for Tenant Improvements and Change Orders during initial construction arising under the result of this lease contract:
- A. General Conditions - 5.5%
  - B. General Contractor's fee - 7.5%
  - C. Architectural/Engineering fee - \$60,000 fixed fee for architectural services shall be a "not to exceed" sum. The Government shall be responsible for actual costs only.
  - D. Lessor's Project Management fee - 7.5%

These fees will not apply to the shell build-out cost or any other costs attributable to the Lessor.

Initials: [Signature] & [Signature]  
Lessor Government

