

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: *August 8, 2011*

LEASE No. GS-09B-02824

THIS LEASE, made and entered into this date between **GATEWAY CRESCENT, LLC**

whose address is: 1000 LAKES DRIVE, SUITE 150
WEST COVINA, CA 91790-2914

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:

Block A: A total of 16,046 rentable square feet (r.s.f.), yielding approximately 14,003 ANSI/BOMA Office Area square feet and related space located on the Third (3rd) Floor at the THE LAKES, 1050 LAKES DRIVE, WEST COVINA, CA 91790;

Block B: A total of 3,527 rentable square feet (r.s.f.), yielding approximately 3,080 ANSI/BOMA Office Area square feet and related space located on the Third (3rd) Floor at the THE LAKES, 1050 LAKES DRIVE, WEST COVINA, CA 91790 upon completion by the Lessor of Tenant Improvements in Blocks A and B and acceptance by the Government;

together with Forty-eight (48) onsite structured parking spaces as depicted on the attached (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on September 15, 2011 through September 14, 2026, subject to termination and renewal rights as may be hereinafter set forth.

3. *PARAGRAPH 3 IS INTENTIONALLY OMITTED*

4. The Government may terminate this lease in whole or in part effective any time after the Tenth (10th) year of this lease giving at least Sixty (60) 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 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. 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. 5CA0712 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) Sheet no. 1 to 3 containing Paragraphs 9-27;
- b) Floorplan (Exhibit "A");
- c) Siteplan (Exhibit "B");
- d) The Solicitation For Offers Number 5CA0712 (pages 1-51) (all references to SFO shall also refer to any Special Requirements and Amendments);
- e) Special Requirements (pages 1-25);
- f) GSA Form 3517 (pages 1-2.);
- g) GSA Form 3518 (pages 1-7.); and
- h) 95% Spaceplan (Page A3) from Construction Drawings dated 07-15-2011, (Exhibit "C") which will be revised to show the [REDACTED]

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

Paragraphs 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 27 have been added.

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

LESSOR: ~~GATEWAY CRESCENT, LLC~~

BY _____

(Signature)

(Signature)

IN PRESENCE OF:

[Signature]
(Signature)

100 Wilshire Blvd, Suite 700 Santa Monica, CA
(Address) 90401

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-02824

9. PARAGRAPH 9 IS INTENTIONALLY OMITTED

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

Block A: beginning September 15, 2011, the Government shall pay rent as follows:

For months 1 through 3, free rent;

For months 4 through 60, annual rent of \$405,161.50 at the rate of \$33,763.46 per month in arrears*^:

MONTHS	SHELL RENT / RSF	OPERATING EXPENSES / RSF	AMORTIZED TI / RSF	FULL SERVICE RENT / RSF	ANNUAL RENT	MONTHLY RENT
4 - 60	\$18.00	\$7.25	\$0.00	\$25.25	\$405,161.50	\$33,763.46

* Operating expenses are subject to annual CPI escalation per SFO Par. 4.3

^ Upon completion and acceptance of TI construction in Blocks A and B, final TI cost will be amortized and added to rent payments for the remainder of months 4 – 120

For months 61 through 120, annual rent of \$453,299.50 at a rate of \$37,774.96 per month in arrears*^:

MONTHS	SHELL RENT / RSF	OPERATING EXPENSES / RSF	AMORTIZED TI / RSF	FULL SERVICE RENT / RSF	ANNUAL RENT	MONTHLY RENT
61 - 120	\$21.00	\$7.25	\$0.00	\$28.25	\$453,299.50	\$37,774.96

* Operating expenses are subject to annual CPI escalation per SFO Par. 4.3

^ Upon completion and acceptance of TI construction in Blocks A and B, final TI cost will be amortized and added to rent payments for the remainder of months 4 – 120

For months 121 through 180, annual rent of \$525,506.50 at a rate of 43,792.21 per month in arrears*^:

MONTHS	SHELL RENT / RSF	OPERATING EXPENSES / RSF	AMORTIZED TI / RSF	FULL SERVICE RENT / RSF	ANNUAL RENT	MONTHLY RENT
121 - 180	\$25.50	\$7.25	\$0.00	\$32.75	\$525,506.50	\$43,792.21

* Operating expenses are subject to annual CPI escalation per SFO Par. 4.3

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

GATEWAY CRESCENT, LLC
 1000 LAKES DRIVE, SUITE 150
 WEST COVINA, CA 91790-2914

Block B: Upon completion of the tenant improvements by the Lessor in Blocks A and B and acceptance by the Government, the Government shall pay the Lessor rent as follows:

For months 1 through 3, free rent;

For months 4 through 60, annual rent of \$95,208.35 at the rate of \$7,934.03 per month in arrears*^:

MONTHS	SHELL RENT / RSF	OPERATING EXPENSES / RSF	AMORTIZED TI / RSF	FULL SERVICE RENT / RSF	ANNUAL RENT	MONTHLY RENT
4 - 60	\$18.00	\$7.25	\$1.7441	\$26.9941	\$95,208.35	\$7,934.03

* Operating expenses are subject to annual CPI escalation per SFO Par. 4.3

^ Upon completion and acceptance of TI construction in Blocks A and B, final TI cost will be amortized and added to rent payments for the remainder of months 4 – 120

Initials: mv & g
 Lessor Government

