

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE:

FEB 10 2012

LEASE No. **GS-09B-02863**

THIS LEASE, made and entered into this date between **TRINET WEST, LLC** a California limited liability corporation,

whose physical address is: 1255 W. SHAW AVENUE, SUITE 101
FRESNO, CALIFORNIA 93711-3716

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:
5,307 rentable square feet (rsf), yielding approximately 4,846 ANSI/BOMA Office Area square feet and related space, located on the 1st floor in the building at 364 Knollcrest Drive, Redding, California 96002-0104, together with two (2) reserved, structured parking spaces, all as shown on the attached Floor Plan (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 a term of ten (10) years beginning upon the substantial completion of the space and acceptance by the Government as satisfactorily complete. The commencement date of this lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Supplemental Lease Agreement upon substantial completion and acceptance of the space by the Government. The lease term is for ten (10) years, five (5) years firm, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent as follows:

For months 1 through 12, annual rent shall total \$96,790.77, reflecting FREE RENT (rent abated 100%) for months 1 through 4, and rent for months 5 through 12 at a rate of \$12,098.85 per month in arrears;

For months 13 through 60, annual rent of \$145,186.16 at the rate of \$12,098.85 per month in arrears; and

For months 61 through 120, annual rent of \$145,186.16 at the rate of \$12,098.85 per month in arrears:

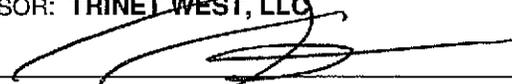
Rent for a lesser period shall be prorated. Rent shall be payable, via Electronic Funds Transfer (EFT), to:

Trinet West, LLC
1255 W. Shaw Avenue, Suite 101
Fresno, California 93711-3716
4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) year of this lease by giving at least sixty (60) calendar 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. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 0CA2794 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) Solicitation For Offers Number 0CA2794 (pages 1-48)(all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) GSA Form 3517B (pages 1-33, General Clauses);
 - c) GSA Form 3518 (pages 1-7, Representations and Certifications);
 - d) Sheets no. 1-3 containing Paragraphs 9-24;
 - e) Floor Plan (Exhibit "A", 1 page);
8. The following changes were made in this lease prior to its execution:
Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 24 have been added.

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

LESSOR: **TRINET WEST, LLO**

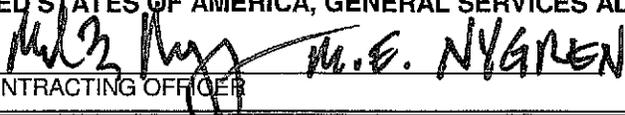
BY 
 (Signature) **Gerald C. Mohr**
Manager Member

(Signature) _____

IN PRESENCE OF: 
 (Signature) **Alan G. Rurik**

1255 West Shaw, Ste. 101, Fresno, CA 93711
 (Address)

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

BY 
M.E. NYGREN
 CONTRACTING OFFICER

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02863

9. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 5,307 / 32,900 rentable square feet (16.13%).
10. **OPERATING COSTS:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for operating costs is established at \$5.36 per rentable square foot per annum, and is NOT subject to annual escalation.
11. **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 \$2.20 per ANSI/BOMA Office Area square foot per annum for operating expenses.
12. **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 AM – 5:00 PM, Monday through Friday, except Federal Holidays ("Normal Hours")), at a rate of \$30.00 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 the GSA Building Manager or designee located at 650 Capitol Mall, Room 8-100, Sacramento, California 95814-4708, to receive payment.
13. **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 **NO COST** to the Government.
14. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance is hereby established as \$46.29 per ANSI/BOMA Office Area square foot or \$224,321.34. The Tenant Improvement Allowance shall be funded entirely by the Lessor and provided at **no cost** to the Government under the terms of the Lease.
15. **PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. 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 (9). 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.
 - B. Failure to submit these 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.
 - C. The construction schedule required in 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 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.
 - D. In addition to the submission requirements specified under 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 ten (10) working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
16. **OFFEROR'S TENANT IMPROVEMENT FEE SCHEDULE:**
This fee schedule will only be applicable for any change orders during initial construction; as the Lessor is providing the Tenant Improvement Allowance at no cost to the Government, these fees do not apply to the tenant improvements. The General Contractor's fee will be [REDACTED] of proposed cost of the change order, the General Conditions fee will be [REDACTED] of the proposed cost of the change order; the Lessor's Project Management fee will be [REDACTED] of the proposed cost of the change order, and, if necessary, the Architectural/Engineering fees for any change order will be a flat fee of [REDACTED] ABOA SF.

Initials: RLM & MD
Lessor & Government

17. **INSPECTION OF PREMISES:**

The Lessor shall notify the Government ten (10) calendar days in advance of the anticipated substantial completion date as defined in this lease. Within ten (10) working days after the date the Lessor notifies the Government that the space is "substantially complete," the Government shall inspect the Premises and appurtenances. Within five (5) working days after the inspection, the Government shall notify the Lessor of any deficiencies in the Premises and appurtenances and the Lessor shall thereafter diligently pursue remedying any defects. If any subsequent Government inspection is required to confirm conformance with the results of a prior inspection, any such subsequent inspection and notification of the results of such inspection shall be made in accordance with the foregoing procedure and the time frames.

The period during which rent shall be deemed to have commenced for the Premises shall be the date that the entire space is accepted for occupancy by the Government (or the date accepted for occupancy, subject to completion of a written punchlist of items not materially affecting beneficial occupancy which are yet to be finished.) The space will not be considered acceptable for occupancy until the Government receives the final tenant improvement costs breakdown package (subject to review by the Government) and the formal Certificate of Occupancy. Any items to be completed or corrected that have been identified at the acceptance of the space as a punchlist item and which do not affect beneficial occupancy shall be completed by the Lessor within thirty (30) calendar days of acceptance.

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. **PROGRESS REPORTS:**

Pursuant to Paragraph 5.11, Progress Reports, during design & construction, the Lessor shall submit to the GSA Contracting Officer, written progress reports at intervals of fourteen (14) calendar days. Each report shall include information as to 1) percentage of the work completed by phase and trade; 2) a statement as to expected completion and occupancy date; 3) changes introduced into the work; and 4) general remarks on such items as material shortages, strikes, weather, etc. In addition, after lease award, the Lessor shall conduct meetings every two (2) week(s) to brief Government personnel and contractors regarding the progress of design and construction of the Government-demised area. **The Lessor shall be solely responsible for taking and distributing minutes (based on the Government-approved format to be provided by the GSA Construction Manager) of these meetings, with review and approval by the GSA Contracting Officer.** Such meetings shall be held telephonically and at locations to be designated by the Government.

19. **ACCEPTANCE OF SPACE:**

- A. The following is added to 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 punch list items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within thirty (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.

Initials: GLM & M
Lessor Government

20. **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.**

21. **OCCUPANCY REPORTS:**

- A. Building Systems. As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements. As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

22. 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".

23. **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.

24. **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, which totals [REDACTED] (accounting for free rent in months 1 through 4). The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. 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 therefore [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 lease, 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 fifth month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

- A. Fifth Month's Rental Payment \$12,098.85 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.
- B. Sixth Month's Rental Payment \$12,098.85 minus prorated Commission Credit of [REDACTED] equals [REDACTED] 2 adjusted Sixth Month's Rent.

Initials: GM & MD
Lessor & Government