

LEASE NO. GS-09P-LCA03354

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

March Lane Owners, LLC

(Lessor), whose principal place of business is 18301 Von Karman, Suite 250, Irvine, CA 92612 and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

3247 W March Lane, Stockton, CA 95219

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

15 Years, 5 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

Name:

Wilson

Title:

Principal of Greenlaw Partners, LLC, Manager of Lessor

Entity Name:

March Lane Owners, LLC

Date:

6.26.14

FOR THE GOVERNMENT:

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date:

6/30/2014

WITNESSED FOR THE LESSOR BY:

Name:

Notary Public

Title:

Notary Public

Date:

6/26/14

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

- A. Office and Related Space: **25,968** rentable square feet (RSF), yielding **22,364** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **3rd** floor of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. Common Area Factor: The Common Area Factor (CAF) is established as **16.12** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. Parking: **104** parking spaces, reserved for the exclusive use of the Government, of which **5** shall be structured/inside parking spaces, and **99** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease. The Government must coordinate its access to the roof and use of any Building areas to use, operate, and maintain the telecommunications equipment in advance with the Lessor, and the Lessor may reasonably direct, monitor, and supervise any such access and use.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

- A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

| | LEASE TERM |
|---|----------------------|
| | ANNUAL RENT |
| SHELL RENT ¹ | \$ 390,507.19 |
| TENANT IMPROVEMENT ALLOWANCE ² | \$ 113,794.32 |
| OPERATING COSTS ³ | \$ 188,527.68 |
| BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴ | \$ 14,760.00 |
| TOTAL ANNUAL RENT | \$ 707,589.19 |

¹Shell rent calculation of **\$15.04** per RSF multiplied by **25,968** RSF. Shell rent shall increase 2.5% annually.

²The Tenant Improvement Allowance of **\$1,055,025.00** is amortized at a rate of 7 percent per annum over **15** years.

³Operating Costs rent calculation: **\$7.26** per RSF multiplied by **25,968** RSF. Operating Costs rent shall increase 3.0% annually.

⁴Building Specific Amortized Capital (BSAC) of **\$136,845.00** is amortized at a rate of 7 percent per annum over **15** years.

⁵Parking costs described under sub-paragraph H below.

In instances where the Lessor amortizes either the TIA or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall be liable for the unamortized portion of the TIA, BSAC, and any TIA and BSAC overage costs that are included in the rent beyond the Firm Term, and shall pay to the Lessor the unamortized portion of the TIA, BSAC, and any TIA and BSAC overage costs that are included in the rent upon the effective date of the Lease's expiration or termination, whichever occurs earlier.

- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed **22,364** ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

- C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

- D. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.
4. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. In addition, an automatic control system shall be provided to assure compliance with heating, ventilation, and air conditioning requirements.

H. Parking shall be provided at no cost to the Government.

1.04 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease in whole, but not in part, at any time effective after the Firm Term of this Lease, by providing not less than 120 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.05 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

| DOCUMENT NAME | NO. OF PAGES | EXHIBIT |
|--|--------------|---------|
| FLOOR PLAN/ APPROVED DESIGN INTENT DRAWINGS ("DIDS") | 1 | A |
| SECURITY REQUIREMENTS | 6 | B |
| GSA FORM 3517B GENERAL CLAUSES | 47 | C |
| GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS | 10 | D |

1.06 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$1,055,025.00**. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Term of this Lease at an annual interest rate of 7 percent. At no time, unless specifically requested by the Government through a change order, shall this TIA be exceeded; however, the total cost of construction of the TIs may exceed the TIA per Paragraph 1.07.C. If the Government terminates the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall pay to the Lessor the unamortized portion of the TIA and any TIA overage costs that are included in the rent upon the effective date of the Lease's expiration or termination, whichever occurs earlier.

1.07 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA or BSAC. That part of the TIA or BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA or BSAC. If the Government elects to make a lump sum payment for the TIA or BSAC after occupancy, the payment of the TIA or BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:

1. Reduce the TI requirements;

2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent at a 7% amortization rate.

1.08 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$136,845.00**. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Term of this lease at an annual interest rate of 7 percent. At no time, unless specifically requested by the Government through a change order, shall this BSAC be exceeded; however, the total cost of construction of the security related improvements may exceed the BSAC per Paragraph 1.09.C. If the Government terminates the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall pay to the Lessor the unamortized portion of the BSAC and any BSAC overage costs that are included in the rent upon the effective date of the Lease's expiration or termination, whichever occurs earlier.

1.09 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent at a 7% amortization rate.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

| | INITIAL BUILD-OUT |
|---|-------------------|
| ARCHITECT/ENGINEER FEES (% OF TOTAL CONSTRUCTION COSTS) | 5% |
| LESSOR'S PROJECT MANAGEMENT FEE (% OF TOTAL CONSTRUCTION COSTS) | 4% |

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Tax Adjustment" paragraph of this Lease is **34.42** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **25,968** RSF by the total Building space of **75,445** RSF.

1.12 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Tax Adjustment" paragraph of the Lease is **\$72,563.00**. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.13 OPERATING COST (SEP 2013)

The parties agree that the Lessor's rate for operating costs shall be **\$7.26** per RSF (**\$188,527.68/annum**).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$3.00** per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- **\$75.00** per hour per zone

- No. of zones: 1
- \$75.00 per hour for the entire Space.

1.16 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC 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 of the Lease Award Date, the Government requires 24-hour HVAC for its one (1) server room, and such service will be provided by the Lessor at no additional cost to the Government. Should the Government require 24-hour HVAC for any other designated rooms or areas of the Premises after the Lease Award Date, the parties will negotiate a mutually agreeable 24-hour HVAC rate for any such service.