

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE No. GS-09B-02418

THIS LEASE, made and entered into this date between Roe & Roe, Inc., c/o Martin J. Roe

whose address is: 1022 Hillcrest Road
Beverly Hills, CA 90210

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:
3,252 rentable square feet (r.s.f.), yielding approximately 2,999 ANSI/BOMA Office Area square feet and related space, and an additional 322 rentable square feet yielding approximately 297 ANSI/BOMA Office Area square feet of free space, for a total of 3,574 rentable square feet yielding approximately 3,296 ANSI/BOMA Office Area square feet located on the Second Floor of the building located at 5500 Telegraph Road, Ventura, CA, 93003-4250, (the "Premises"), as depicted on the attached Exhibit A together with six (6) onsite, surface, reserved parking spaces, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION in conformance with Solicitation For Offers No. 7CA2495. The Government shall have access to approximately 288 square feet of storage space located on the parking level of the building at "No Cost" to the Government, to be used for storage related purposes consistent with office use.
2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.
3. PARAGRAPH 3 IS INTENTIONALLY OMITTED.
4. PARAGRAPH 4 IS INTENTIONALLY OMITTED.
5. PARAGRAPH 5 IS 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. 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. 7CA2495 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) The Solicitation For Offers Number 7CA2495 (pages 1-48) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Special Requirements: "SPECIAL REQUIREMENTS, ATTACHMENT #7, J.S. PROBATION OFFICE, VENTURA, CALIFORNIA", 7 pages.
- c) GSA Form 3517 (pages 1-33);
- d) GSA Form 3518 (pages 1-7);
- e) Sheet no. 1-3 containing Paragraphs 9-26;
- f) Floor Plan of Space Under Lease- The Premises (Exhibit "A", 1 page).

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

Paragraphs 2 through 5 of this STANDARD FORM 2 were deleted in its entirety. Paragraphs 9 through 26 have been added.

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

LESSOR: Roe & Roe, Inc., c/o Martin J. Roe

BY *Martin J. Roe* _____
 (Signature) (Signature)

IN PRESENCE OF: *[Signature]* _____
 (Signature) (Address) *9720 Wilshire Blvd, Beverly Hills, CA 90212* ^{→ 5th Floor}

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-02418:

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 five (5) year term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth. Notwithstanding the foregoing, the parties shall, at all times remain subject to the terms and provisions of Supplemental Lease Agreement No. 5 of Lease No. GS-09B-01125.

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

For Year 1: The total annual rent is \$83,023.56. For months 1 through 3 of Year 1, the Shell Rent is \$0/RSF, the Operating Cost is \$0/RSF and the TI cost is \$9.78/RSF. For months 4 through 12 of Year 1, the Shell Rent is \$14.42/RSF, Operating Cost is \$6.58/RSF and the TI cost is \$9.78. For months 1 through 3 the monthly rent is \$2,650.38 and months 4 through 12 the monthly rent is \$8,341.38.

For Year 2 through Year 5: The total annual rent is \$100,096.56, subject to adjustment pursuant to Paragraphs 3.3, 4.2 and 4.3 of the SFO. The rent consists of Shell Rent of \$14.42/RSF, Operating Cost of \$6.58/RSF, and TI of \$9.78/RSF. The monthly rent is \$8,341.38.

The Government shall pay rent monthly, in arrears. Rent for a lesser period will be prorated. The cost for the six (6) onsite, surface, reserved parking spaces referenced in Paragraph 1 of this SF-2 are included in the Shell Rent. Three (3) months of free shell and operating cost rent will be provided during the first three (3) months of occupancy.

The Government will not be charged rent, operating costs, operating cost escalations, real estate tax, percentage of occupancy for real estate tax escalations, or overtime utility rates, for the 322 rentable square feet of free space identified in Paragraph 1. Maintenance of the approximately 288 square feet of storage space is to be provided at no additional costs to the Government.

Rent shall be payable to:

Roe & Roe, Inc.
c/o Martin J. Roe
1022 Hillcrest Road
Beverly Hills, CA 90210

11. The Lessor shall have ninety (90) calendar days from the receipt of the Government's Tenant Improvement 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. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2 of SFO Number 7CA2495, "Tax Adjustment," for purposes of tax escalation, the Government occupies 3,252/21,600 rentable square feet (15.06%).
13. **OPERATING COST:** Pursuant to Paragraph 4.3 of SFO Number 7CA2495, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$6.58 per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4 of SFO Number 7CA2495, "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 \$7.14 per ABOA square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3 of SFO Number 7CA2495, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6 of SFO Number 7CA2495, "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. – 7:00 p.m., Monday through Friday, (7:00 a.m. – 7:00 p.m.) Saturday, (7:00 a.m. – 7:00 p.m.) Sunday,) and except Federal Holidays ("Normal Hours"), at a rate of \$0.00 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 to receive payment.
16. **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 the rate of \$0.00 per rentable square foot of the "24 Hour Rooms" after "Normal Hours".
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2 of SFO Number 7CA2495, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the five (5) year term of the lease agreement at an interest rate (amortization rate) of 1.50 % per year. The Tenant Improvement Allowance shall be \$153,134.70 (\$51.06 rounded per ABOA) based upon 2,999ANSI/BOMA square feet. Lessor has agreed to pay \$31,660.00 (\$20.00 per RSF x 1,583rsf) toward tenant improvements paid directly to Contractors prior to the use of the Government's amortized funds FOR THE EXPANSION SPACE ONLY. Pursuant to SFO Paragraph 3.3, "Tenant Improvement Rental Adjustment," the Government, at its sole discretion, shall make all decisions as to the usage and payment for said Tenant Improvement Allowance. Lessor will provide paint and carpet at no cost to the Government IN THE EXISTING SPACE ONLY.

Initials:  & _____
Lessor Government

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02418:

18. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:

- A. In accordance with Paragraph entitled 5.11, "Construction Schedule and Acceptance of Tenant Improvements" of the Solicitation For Offers, Lessor shall submit to the Government a budget proposal with the Government approved Design Intent Drawings which shall meet the requirements of the lease agreement. 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 5.11 (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 Paragraph 5.11 (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 5.11, "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 Paragraph 5.11, "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 no less than 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.

19. ACCEPTANCE OF SPACE:

- A. The following is added to Paragraph 5. 11 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.

20. OCCUPANCY REPORTS:

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 of SFO Number 7CA2495 "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 of SFO Number 7CA2495 "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.

21. 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.**

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".

Initials:  & _____
Lessor Government

SHEET NUMBER 3 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02418:

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 option, abandon its 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 4.0% of the firm term value of this Lease. The total amount of the commission is \$19,336.39. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego 51.5% of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is \$9,958.23. 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 10 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 fourth month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent as follows:

Fourth Month's Rental Payment \$8,341.38 minus prorated Commission Credit of \$3,319.41 equals \$5,021.97 adjusted Fourth Month's Rent;

Fifth Month's Rental Payment \$8,341.38 minus prorated Commission Credit of \$3,319.41 equals \$5,021.97 adjusted Fifth Month's Rent;

Sixth Month's Rental Payment \$8,341.38 minus prorated Commission Credit of \$3,319.41 equals \$5,021.97 adjusted Sixth Month's Rent;

25. **TENANT IMPROVEMENT FEE SCHEDULE:**

In accordance with SFO Paragraph 3.2 B, the following project development fees will be allowed in amounts not too exceed as specified below for Tenant Improvement and change orders during the initial construction..

1. General Conditions: 5%
2. General Contractor fee: 5%
3. Lessor's Project Management fee: 0%.
4. Architectural Fees: 2%

26. All rights, responsibilities, and obligations that bind the Lessor and Government under this lease agreement, including General Clauses, and any other attachments hereto, shall pertain to the entire space under lease, including free space.

Initials:  & _____
Lessor & Government