

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

MAR 30 2011

LEASE NO.

GS-09-02749

THIS LEASE, made and entered into this date between **Syme City Plaza, LLC a Delaware limited liability company and Syme Ventures O'Farrell, LLC a Delaware limited liability company**

whose address is: 330 Primrose Road Suite 203

Burlingame, CA 94010

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:

- The Lessor hereby leases to the Government the following described Premises:
12,089 rentable square feet (r.s.f.), yielding approximately 10,512 ANSI/BOMA Office Area square feet and related space located on the second floor at 1900 O'Farrell Street, San Mateo, California as depicted on the attached Exhibit A ("Site Plan") and Exhibit B ("Floor Plan") together with 35 parking spaces consisting of 1 secured reserved structured parking space, 9 secure structured parking spaces and 25 surface parking spaces as depicted on the attached Exhibit A ("Site Plan"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
- TO HAVE AND TO HOLD** the said premises with their appurtenances for a term of 15 years, 10 years firm beginning upon the substantial completion of the Tenant Improvements, and acceptance by the Government as satisfactorily complete. (Except for termination rights as established in paragraph 4 of this SF2). Design and construction of the space shall begin upon award of this lease in conformance with the Construction Schedule of Tenant Improvements paragraphs of the attached Solicitation for Offers and this SF2. 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 Government shall pay the Lessor annual rent for months 1 - 60 \$384,792.87 (\$31.83/RSF - \$36.61/USF) at the rate of \$32,066.67 per month in arrears. See below schedule of rent components for details of step rent beginning in month 61. Accumulated operating cost adjustments will be included in the stated per annum rates at the time they become effective. Rent for a lesser period shall be prorated.

Months	Shell Rate	Operating Costs	Amortized Tenant Improvements	Total Annual Rate	Monthly Rent	Annual Rent
1 - 60	\$19.75	\$6.11	\$5.97	\$31.83	\$32,066.07	\$384,792.87
61 - 120	\$23.75	\$6.11	\$5.97	\$35.83	\$36,095.74	\$433,148.87
121 - 180	\$27.00	\$6.11	\$0.00	\$33.11	\$33,355.57	\$400,266.79

*Does not include commission credit per Paragraph 20 of this SF2. All costs unless otherwise noted are per rentable square foot / year.

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

LESSOR

SIGNATURE

[Handwritten Signature]

NAME OF SIGNER

Kirk C Syme

ADDRESS

IN THE PRESENCE OF (SIGNATURE)

[Handwritten Signature]

NAME OF SIGNER

William F Syme

UNITED STATES OF AMERICA

SIGNATURE

[Handwritten Signature]

NAME OF SIGNER

Richard A. Scott

OFFICIAL TITLE OF SIGNER

GSA Leasing Contracting Officer

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11. **OPERATING COSTS:** In accordance with SFO Paragraph 4.3, "Operating Costs," the base rate for purposes of operating cost adjustment is established as \$6.11 RSF (\$73,863.79 per annum).
 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 a.m. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$80.00 per hour per floor. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. Any overtime usage must be approved in advance by the Government. The Lessor must submit a proper invoice quarterly to GSA Property Manager or designee located at GSA Central California Field Office at 345 Middlefield Road, Building 20 Menlo Park, CA 94025 ATTN: GSA Building Manager or designee 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 the rate of \$0.00 per rsf / month annually in arrears.
 14. **TAX ADJUSTMENT:** Pursuant to SFO Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 12,089 / 60,575 rentable square feet (19.95%). The Government's prorated share of Base Year Taxes shall be \$28,041.29.
 15. **TENANT IMPROVEMENT ALLOWANCE:** The Tenant Improvement Allowance has been established by Paragraph 3.2 "Tenant Improvements included in offer". The Tenant Improvement Allowance in the amount of \$495,430.56 shall be amortized over the ten (10) year firm term of the lease agreement at an interest rate (amortization rate) of 8.0% per year.
 16. **LESSOR'S TENANT IMPROVEMENT FEE SCHEDULE:** Any requested Tenant Improvements and change orders after award and throughout the entire lease term, shall include the Lessor's administrative mark up for General Conditions (8%), General Contractor's fee (5%), Architectural/Engineering fees (\$2.25 per usable square foot) and Lessor's Project Management fee (5%), The fee is calculated as a percentage of the total tenant improvement construction hard cost.
 17. **ACCEPTANCE OF SPACE:**

SFO Paragraph 5.11 G: "Acceptance of Space and Certificate of Occupancy" is hereby deleted in its entirety and the following substituted in lieu thereof:

ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY:

Fourteen (14) calendar days prior to the completion of interior construction, the Lessor shall issue written notice to the Government to inspect the space. The Government shall have Fourteen (14) calendar days to inspect and to either accept or reject the subject space.

1. Substantially completed space will be accepted by the Government subject to the completion of minor punch list items (see the Definitions paragraph of GSA Form 3517, General Clauses). Space which is not substantially complete will not be accepted by the Government. Should the Government reject the Lessor's space as not substantially complete as defined herein, the Lessor shall immediately undertake remedial action and when ready shall issue a subsequent notice to inspect to the Government.
2. The Lessor shall provide a valid Certificate of Occupancy, issued by the local jurisdiction, for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue Certificates of Occupancy, the Lessor shall obtain the services of a licensed fire protection engineer to verify the offered space meets all applicable local codes and ordinances to ensure an acceptable level of safety is provided.
3. 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. 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 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

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LESSOR & GOV'T

Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any assignment shall be subject to prior written consent of Lessor, which shall not be unreasonably withheld.

2. Assignment or subletting of all or the majority of Premises to any private sector individuals or businesses be subject to the Lessor's prior written consent, which consent shall not be unreasonably withheld. In determining whether to approve of a proposed assignment or sublease to a private sector individual or business, the Lessor shall approve of any creditworthy proposed assignee or sublessee (hereinafter sometimes referred to collectively as "transferee"), as long as the transferee intends to use the space in a manner reasonably compatible with the overall facility in which the Government transferee to afford the rent and other obligations under the Lease as they come due and shall not be confined to proposed transferee(s) with a creditworthiness comparable to that of the United States of America. Any failure of the Lessor to approve or disapprove of a proposed subletting or assignment within fifteen (15) calendar days of the date that the Government sent written notice thereof to the Lessor shall be deemed consent by the Lessor to such proposed assignment or subletting.

b. Substitution of Tenant Agency

The Government reserves the right at any time and from time to time to substitute any agency for [REDACTED] at any time after the offer or during the term of the Lease as to all or any portion of the space, without notice to or the consent of the Lessor under any circumstances whatsoever. However, except as otherwise provided by law (as amended or replaced from time to time) the Government agrees not to substitute as to all or substantially all of such space any agency(ies) devoted exclusively to criminal law enforcement, probationary offices, or which (in the reasonable opinion of the Government representatives) would involve foot traffic substantially greater than that already existing in connection with the [REDACTED] office serving members of the general public without the Lessor's prior written consent, which consent shall not be unreasonably withheld or delayed. For purposes of this lease, the degree of estimated non-federal employees foot traffic will be considered by reference to one or more [REDACTED] offices (selected by the Government for review) of somewhat comparable size in major metropolitan areas. An increase will be deemed "substantial" if it would equate to a usage of approximately [120%] of the level of use of such typical [REDACTED] office.

This limitation shall not in any way be construed to limit the legitimate association of and housing by [REDACTED] of Government representatives from other agencies in any way connected with or needed to further safeguard [REDACTED] legitimate business including, without limitation, the [REDACTED] or the [REDACTED]. In addition, this limitation shall not in any way act as a constraint on the ability of [REDACTED] to carry out all aspects of its regulatory and other functions.

Clause 17 - Fire and Casualty Damage.

This Clause is deleted in its entirety and the following substituted in lieu thereof:

Fire and Casualty Damage

1. In the event the premises, buildings or other facilities required to use the premises for the Government's business (collectively, "Facilities") are damaged or destroyed by fire or other casualty, in whole or in part, the Lessor shall give the Government, within fifteen (15) working days after the casualty, notice of the Lessor's reasonable estimate of the time required to restore the Facilities to the condition that existed immediately prior to the casualty (the "Restoration Period"). If Lessor does not deliver the notice within the required time, Government may terminate the lease by giving written notice at any time after expiration of the time for delivery until receipt of the notice.

2. If restoration cannot reasonably be substantially completed within one hundred fifty (150) days after the date of the casualty, the Government or Lessor may terminate this lease by giving written notice. The Lessor must give such notice with its notice of estimated time required for restoration of the Facilities. The Government must give its termination notice within fourteen (14) days after receipt of the Lessor's estimate of time required for restoration. If the Government or Lessor gives notice of election to terminate pursuant to subparagraph (1) or (2) of this paragraph, this Lease shall terminate effective as of the date of the

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