

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: 6/1/2011

LEASE No. GS-09B-02800

THIS LEASE, made and entered into this date between E & P Properties, Inc.

whose address is: 5400 Industrial Way
Benicia, CA 94510-1037

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:
12,000 rentable square feet (r.s.f.), yielding approximately 11,447 ANSI/BOMA Office Area square feet and related space located at 5430 Industrial Way, Benicia, CA, together with 8 onsite reserved, secure parking spaces, 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 February 15, 2012, through February 14, 2022, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent of \$322,320.00 at the rate of \$26,860.00 per month in arrears. Rent for a lesser period shall be prorated. The rates are as follows:

	Annual Rates	Years 1 - 10
Shell	\$18.00	\$216,000.00
Op. Cost	\$8.86	\$106,320.00
TI	\$0	\$0
TOTAL	\$26.86	\$322,320.00

Rent checks shall be payable to:

E & P Properties, Inc.
5400 Industrial Way
Benicia, CA 94510-1037

4. The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year of this lease by giving at least 90 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.

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 OCA2527 (pages 1-55) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) GSA Form 3517 (pages 1-33);
- c) GSA Form 3518 (pages 1-7);
- d) Attachment A (1 page);
- e) Attachment B (pages 1-50);
- f) Attachment C – Floor Plan (1 page);
- g) Sheet no. 1 containing Paragraphs 9-15;

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 15 have been added.

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

LESSOR: S&P Properties, Inc.

BY [Signature]
(Signature)

(Signature)

IN PRESENCE OF:

Amber Lancaster
(Signature)

5400 Industrial Way, Benic, CA 94510
(Address)

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

BY [Signature]
CHRISTINA DOLAN, CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02800

9. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$8.86 per rentable square foot per annum.
10. **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 \$6.98 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."
11. **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 \$17.80 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 East Bay Office located at 1301 Clay Street, Suite 280N, Oakland, CA, 94612-5223, to receive payment.
12. **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.**
13. 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".
14. **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.
15. **REPAINT AND CARPET CLEAN:** The Lessor shall repaint and clean the carpet of the entire lease premises, which shall include relocation of any furniture or equipment if necessary, at the Lessor's sole expense and cost. Said work shall be completed at a time convenient to the Tenant Agency and be completed by no later than February 15, 2012.

Initials:  & 
Lessor & Government