

This Lease is made and entered into between

Encino Grande, LLC

("the Lessor"), whose principal place of business is 1410 Cottontail Creek Rd., Cayucos, CA 93430 and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the 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:

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

1243 N Street, Fresno, CA 93721

and more fully described in Section 1 and Exhibits A & B, together with rights to the use of parking and other areas as set forth herein.

LEASE TERM

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

10 Years, 5 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be 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:

Bruce S. Gibson
Name: BRUCE S. GIBSON
Title: MANAGER
Date: 2/16/12

FOR THE GOVERNMENT:

Megan M. Stefan
Megan Stefani
Lease LCO
Date: 2-29-12

WITNESSED BY:

Grace Crittenden
Name: GRACE CRITTENDEN
Title: MANAGER
Date: 2-16-12

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (AUG 2011)

The Premises are described as follows:

Office and Related Space: 16,955 rentable square feet (RSF), yielding 16,025 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space based upon a common area factor of 1.058 percent, located on the 1st floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A & B.

1.02 EXPRESS APPURTENANT RIGHTS (AUG 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Parking: 73 parking spaces as depicted on the plan attached hereto as Exhibit B of which 73 shall be structured inside spaces reserved for the exclusive use of the Government. 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: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (AUG 2011)

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

	FIRM TERM YRS 1-5		NON FIRM TERM YRS 6-10	
	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	\$297,729.80	\$17.56	\$332,657.10	\$19.62
TENANT IMPROVEMENTS RENT ¹	\$16,025	\$.95	\$0.00	\$0.00
OPERATING COSTS	\$102,747.30	\$6.06	\$ 102,747.30	\$6.06
BUILDING SPECIFIC SECURITY ²	\$0.00	\$0.00	\$ 0.00	\$0.00
TOTAL ANNUAL RENT	\$416,502.10	\$24.57	\$435,404.40	\$25.68

¹The Tenant Improvement Allowance is amortized at a rate of 0 percent per annum over 5 years.

²Building Specific Security Costs are amortized at a rate of 0 percent per annum over 5 years.

³Rates may be rounded.

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 16,025 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. 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.

E. Rent shall be paid to the 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.

F. The 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 "Paragraph 1.01, THE PREMISES" created herein;
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.
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities ~~(with the exclusion of 100)~~, maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease,

LESSOR: BSC GOVERNMENT: [Signature]

including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. ~~The Government shall be responsible for paying the cost of GC directly to the utility provider.~~ The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

G. Parking shall be provided at a rate of \$0.00 per parking space per month (Structure), and \$0.00 per parking space per month (Surface).

1.04 ~~BROKER COMMISSION AND COMMISSION CREDIT (AUG 2011)~~

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time, effective after the firm term of this Lease by providing not less than 90 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.

1.06 ~~RENEWAL RIGHTS (AUG 2011)~~

1.07 DOCUMENTS INCORPORATED BY REFERENCE (SEPT 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
SITE/PARKING PLAN(S)	1	B
AGENCY-SPECIFIC REQUIREMENTS	22	
SECURITY UNIT PRICE LIST	2	
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	1	
GSA FORM 3517B GENERAL CLAUSES	33	
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	4	
SECURITY REQUIREMENTS (LEVEL II)	3	

1.08 ~~TENANT IMPROVEMENT ALLOWANCE (AUG 2011)~~

1.09 ~~TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)~~

1.10 ~~TENANT IMPROVEMENT FEE SCHEDULE (AUG 2011)~~

1.11 ~~PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 2011)~~

1.12 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$6.06 per rentable sq. ft (\$102,747.30/annum).

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011)

In accordance with the section entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the leased 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 \$3.93 per ABOA SF of space vacated by the Government.

1.14 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$ 0.00 per hour for the entire space.

1.15 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. If 24-hour HVAC is required by the Government for any designated rooms or areas of the premises, such services shall be provided by the Lessor at an annual rate of \$0.00 per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the building at no additional cost.