

This Lease is made and entered into between

NMSBPCSLDHB, a California Limited Partnership

("the Lessor"), whose principal place of business is 340 University Avenue, Floor 1, Los Gatos, CA 95030-6000, 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

995 Hardt Street, San Bernardino, CA 92408

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 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

15 Years, 10 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

to all terms and conditions set forth herein by their signatures below, to be



Name: _____
Title: General Partner
Date: 7/24/12

Name: _____
Title: Lease Contracting Officer
Date: 7/30/2012



Name: _____
Title: Greg Egel
Date: 7/24/12

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES

The Premises are described as follows:

Office and Related Space: 39,024 rentable square feet (RSF), yielding 37,189 ANSI/BOMA Office Area (ABOA) square feet of office and related space (based upon a Common Area Factor of 1.04934255%, located on the 1st and 2nd floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

1.02 EXPRESS APPURTENANT RIGHTS

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: 231 parking spaces as depicted on the plan attached hereto as Exhibit B of which 6 shall be structured inside spaces reserved for the exclusive use of the Government and 231 shall be surface 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. Antennae, 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

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

	YEARS 1 - 10		YEARS 11 - 15	
	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENTAL RATE	\$780,544.38	\$20.00	\$780,544.38	\$20.00
TENANT IMPROVEMENTS RENTAL RATE*	\$244,227.59	\$6.26	\$00.00	\$00.00
OPERATING COSTS*	\$273,168.00	\$7.00	\$273,168.00	\$7.00
BUILDING SPECIFIC SECURITY COSTS	\$5,851.87	\$.15	\$00.00	\$00.00
FULL SERVICE RATE	\$1,303,791.84	\$33.41	\$1,053,712.38	\$27.00

* Calculations are based on rounded figures.
 **The Tenant Improvements Allowance is amortized at a rate of 7 percent per annum for 10 years.
 ***The Lessor has submitted as part of the offer 2 months free rent and \$20,000 in TI concessions.

- B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 37,189 ABOA sq. ft. 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 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

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4. 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.

5. THIS PARAGRAPH INTENTIONALLY DELETED

1.04 BROKER COMMISSION AND COMMISSION CREDIT:

Jones Lang LaSalle ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to Jones Lang LaSalle with the remaining [REDACTED], which is the "Commission Credit", to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the third month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the third month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment of \$00.00 due to Lessor's free rent concession.

Month 2 Rental Payment of \$00.00 due to Lessor's free rent concession.

Month 3 Rental Payment \$108,649.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.

Month 4 Rental Payment \$108,649.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4th Month's Rent.

Month 5 Rental Payment \$108,649.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5th Month's Rent.

Month 6 Rental Payment \$108,649.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 6th Month's Rent.

Month 7 Rental Payment \$108,649.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 7th Month's Rent.

Month 8 Rental Payment \$108,649.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 8th Month's Rent.

1.05 TERMINATION RIGHT

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 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.

1.06 THIS PARAGRAPH INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED BY REFERENCE

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING PLAN(S)	1	B
AGENCY SPECIFIC REQUIREMENTS	65	C
ADDITIONAL SECURITY REQUIREMENTS, ISC LEVEL II	2	D
GSA FORM 3517B GENERAL CLAUSES	7	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	33	F
SECURITY UNIT PRICE LIST	2	H

1.08 TENANT IMPROVEMENT ALLOWANCE

The Tenant Improvement Allowance for purposes of this Lease is \$47,13408 per ABOA sq. ft. The Tenant Improvement Allowance is the amount that the Lessor shall make available for the Government to be used for the Tenant Improvements. This amount is amortized in the rent over the firm term of this Lease at an annual interest rate of 7.00 percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (APR 2011)

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

B. The Government shall have the right to make lump sum payments for any or all work covered by the Tenant Improvement Allowance. That part of the Tenant Improvement Allowance amortized in the rent shall be reduced accordingly. At any time after occupancy and during the firm term of

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the Lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the Tenant Improvement Allowance. If the Government elects to make a lump sum payment for the Tenant Improvement Allowance after occupancy, the payment of the Tenant Improvement Allowance 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 allowance identified above, the Government shall have the right to either:

1. Reduce the Tenant Improvement requirements;
2. Pay lump sum for the overage upon completion and acceptance of the improvements; or
3. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.

1.10 TENANT IMPROVEMENT FEE SCHEDULE

For pricing Tenant Improvement Costs as defined herein, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SQ. FT. OR % OF CONSTRUCTION COSTS)	\$4.00
LESSOR'S PROJECT MANAGEMENT FEE (% OF CONSTRUCTION COSTS)	8.00%

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is 100 percent. The percentage of occupancy is derived by dividing the total Government space of 39,024 RSF by the total building space of 39,024 rentable square feet.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is \$2.00.

1.12 OPERATING COST BASE

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 \$7.00 per rentable sq. ft.

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES

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 \$2.00 per ABOA sq. ft. of space vacated by the Government.

1.14 HOURLY OVERTIME HVAC RATES

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

\$30.00 per hour per zone

No. of zones: 4

\$120.00 per hour for the entire space (entire building).

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 \$00.00 per ABOA sq. ft. of the area receiving the 24-hour HVAC.

1.16 ADDITIONAL BUILDING IMPROVEMENTS

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire/Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space: