

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

1-22-10

LEASE NO.

GS-07B-16682

THIS LEASE, made and entered into this date by and between KELLEY FAIRMONT, INC.

Whose address is 3140 PEACEKEEPER WAY
MCCLELLAN, CA 95652-2508

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:

A total of 12,574 rentable square feet (RSF) of office/warehouse and related space, which yields 12,574 ANSI/BOMA Office Area square feet (USF) of space at Fairmont Business Center, 11810 Fairmont Parkway, Suite 500, Pasadena, TX 77507-0000 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 14 secured, reserved surface parking spaces and 11 unsecured, reserved surface parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion and acceptance of the work required by this lease and continuing for a period of ten (10) years, with a firm term of seven (7) years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor rent as follows.

TERM	MONTHLY RENT	ANNUAL RENT
Years 1 - 7	\$24,610.015	\$295,320.18
Years 8 - 10	20,993.103333	\$251,917.24

Rent shall be paid monthly in arrears. Rent for a lesser period shall be prorated. Rent shall be made payable to:

KELLEY FAIRMONT, INC.
3140 PEACEKEEPER WAY
MCCLELLAN, CA 95652-2508

4. The Government may terminate this lease in whole or in part at any time on or after the firm term by giving at least 90 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

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

LESSOR: Kelley Fairmont, Inc.
LESSOR NAME: Denton Kelley

BY

IN PRESENCE OF

UNITED STATES OF AMERICA

BY

Contracting Officer, General Services Administration

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5. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~provided notice be given in writing to the Lessor at least XX days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 6TX0203 dated October 31, 2008, as amended.

B. Build out in accordance with standards set forth in SFO 6TX0203 dated October 31, 2008, as amended, and the Government-approved design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.

C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

7. The following are attached and made a part hereof:

A. Solicitation for Offers 6TX0203 dated October 31, 2008 and Amendment 1 dated May 7, 2009

B. Agency Special Requirements dated August 25, 2008

C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 6/08)

D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 6/07)

E. Special Warranty Deed (with Legal Description) dated February 13, 2006

F. Proposed Site Plan showing location of secured parking and unsecured, reserved parking

G. Proposed Floor Plan

8. The following change was made to this lease prior to its execution: Paragraph 5 of this STANDARD FORM 2 was struck through and deleted in its entirety.

9. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$414,187.56 (12,574 USF x \$32.94) shall be amortized through the rent for 7 years at the rate of 7.75%. The total annual cost of the Tenant Improvements over the amortization period shall be \$76,849.78. The Lessor has agreed to amortize the cost of Tenant Improvements required by SFO 6TX0203 dated October 31, 2008, as amended, and the Agency Special Requirements dated August 25, 2008. Any additional requirements beyond those specified in SFO 6TX0203 dated October 31, 2008, as amended, and the Agency Special Requirements dated August 25, 2008 shall be reimbursed by the Government via lump sum payment, if necessary.

10. The lease is subject to real estate tax reimbursement. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 29.40%. The base year tax statement will be submitted within 60 days after payment to establish the base year taxes. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined. In accordance with the SFO paragraph entitled *Tax Adjustment*, the base year for taxes is established as the first 12-month period coincident with full assessment.

11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$4.274773/RSF (\$53,751.00/annum).

12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.00 (12,574 RSF/12,574 USF).

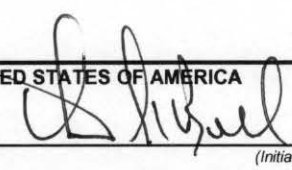
LESSOR

BY


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UNITED STATES OF AMERICA

BY


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13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.00/USF for vacant space (rental reduction).

14. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$25.00 per hour for the entire leased space or any portion thereof. Overtime rates shall not be paid during normal building operating hours of 7:00 am to 5:00 pm Monday through Friday, excluding federal holidays. In the event the buildings normal working hours extend beyond the hours stated above, the Government will not be charged an overtime usage rate for those hours.

15. The Lessor will provide 3 copies of a CAD "as built" disk to the contracting officer within thirty (30) days after completion of construction.

16. Janitorial service will be performed during tenant working hours 7:00 a.m. to 5:00 p.m., Monday through Friday, excluding federal holidays.

17. In the event the actual amount of space exceeds 12,574 usable square feet, there will be no additional cost to the Government.

18. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. 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 [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit). The Commission Credit is [REDACTED]. 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 3 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 first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

First Month's Rental Payment of \$24,610.015 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$24,610.015 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

19. All questions pertaining to this Lease shall be referred to the Contracting Officer of the General Services Administration (GSA) or their designee. The Government occupant is not authorized to administer this lease and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other authorized cost in writing by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to repairs, changes of scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.

20. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new lease contracts after January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

21. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this lease or any extensions, and for alterations completed by either the Government or Lessor including initial build out of the lease space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, alterations that remain in the leased space after termination of the lease contract will become property of the Lessor.

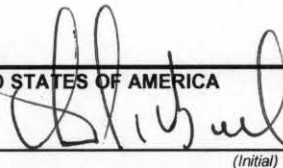
LESSOR

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