

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

7-14-11

LEASE NO.

GS-07B-16847

THIS LEASE, made and entered into this date by and between SO WEHREN HOLDING CORP., a Delaware corporation

whose address is 3 PARK PLZ STE 900 FL 9
IRVINE, CA 92614-8505

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 17,605 rentable square feet (RSF) of office and related space, which yields 16,681 ANSI/BOMA Office Area square feet (ABOA) of space located on the entire 2nd Floor and part of the 3rd Floors, Suites #200 & #300 at Legacy Oaks – 5410 Fredericksburg Road, San Antonio, TX 78229-3555 (see Exhibit B - Legal Description) 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 2 reserved parking spaces.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on November 1, 2010 and continuing for a period of ten (10) years or through October 31, 2020, with a firm term of five (5) years, subject to termination and renewal rights as may be hereinafter set forth.

3. For years 1 through 5, commencing on November 1, 2010 through October 31, 2015, the Government shall pay the Lessor annual rent of \$352,229.80 (\$20.01/RSF - \$21.11/ABOA) at the rate of \$29,352.48 per month in Arrears. The total annual rent consists of annual Shell rent of \$242,244.80 (\$13.76/RSF - \$14.52/ABOA) at the rate of \$20,187.07 per month; and annual Operating Costs of \$109,985.00 (\$6.25/RSF - \$6.59/ABOA) at a rate of \$9,165.42 per month.

For years 6-10, commencing on November 1, 2015 through October 31, 2020, the Government shall pay the Lessor total annual rent of \$395,362.05 (\$22.46/RSF - \$23.70/ABOA) at the rate of \$32,946.84 per month paid in arrears. The total annual rent consists of annual Shell rent of \$285,377.05 (\$16.21/RSF - \$17.11/ABOA) at the rate of \$23,781.42 per month plus annual Operating Costs of \$109,985.00 (\$6.25/RSF - \$6.59/ABOA) at a rate of \$9,165.42 per month.

Rent for a lesser period shall be prorated. Rent shall be made payable to:

SO WEHREN HOLDING CORP.
3 PARK PLZ STE 900 FL 9
IRVINE, CA 92614-8505

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) year of this lease by giving at least one hundred and twenty (120) days' prior notice, in writing, to the Lessor. No rental shall accrue after the effective date of the termination. Said notice shall be computed commencing with the day after the date of the mailing.

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

~~Provided notice be given in writing to the Lessor at least _____ 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 9TX2040 dated 6/22/10.

B. The Lessor hereby waives restoration of the leased premises.

C. Adequate space for telecommunications antennae and transmission devises in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access." of the SFO.

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

- Solicitation for Offers (SFO) 9TX2040 dated 6/22/10
- GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05])
- GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
- Exhibit A: Pre-Lease Security Plan
- Exhibit B: Legal Description
- Exhibit C: Floorplans
- Exhibit D: Amendment #1
- Exhibit E: Small Business Plan

8. The following changes were made in this lease prior to its execution:

Paragraph 5 is omitted and has been struck through. Paragraphs nine (9) through seventeen (17) are added.

9. **Percentage of Occupancy:** The lease is subject to Real Estate Tax reimbursement as provided for in the Paragraph Tax Adjustment of the SFO. For tax adjustments, the percentage of occupancy is established at 7.89986%. The base year tax statement will be submitted within 60 calendar days after Lessor's payment of taxes to establish the base tax year. If the statement is for multiple parcels or buildings, the value of each property shall be defined.

10. **Operating Cost:** In accordance with the SFO paragraph entitled "Operating Costs," the escalation base is established as \$6.25/RSF or \$109,985.00 (17,605 rsf X \$6.25).

11. **Common Area Factor:** In accordance with the SFO paragraph entitled "Common Area Factor," the common area factor is established as 1.0554 (17,605 RSF/16,681 ABOA).

12. **Adjustment for Vacant Premise:** In accordance with the SFO paragraph entitled "Adjustment for Vacant Premises," the adjustment shall be a reduction of \$1.00/ANSI-BOMA Office Area for vacant space.

13. **Overtime HVAC Usage:** In accordance with the SFO Paragraph entitled Overtime Usage, the rate for Overtime Heating and Cooling is established at \$45.00 per hour for the entire Government leased premise. The Lessor shall not charge the Government for Overtime Heating and Cooling if the building is open and the Heating and Cooling is operating for all other tenants beyond the Normal Hours stipulated in this agreement. The Overtime Heating and Cooling Usage rate 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 agreement.

14. **Central Contractor Registration (CCR):** In accordance with the SFO paragraph entitled "Central Contractor Registration," the Lessor shall register by the time of the full execution of this Lease Agreement.

15. **Commission Credit:** The Lessor and the Broker have agreed to a cooperating lease commission. 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 to the Government 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 to the Government. 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 \$29,352.48 minus the Commission Credit ([REDACTED]) equals [REDACTED] as the adjusted First Month Rent.

Second Month's Rental Payment of \$29,352.48 minus the Commission Credit ([REDACTED]) equals [REDACTED] as the adjusted Second Month Rent.

16. **Unauthorized Tenant Improvements:** All questions pertaining to this Lease shall be referred, in writing, to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government's occupant of the leased premise is not authorized to administer this lease or make commitments to the Lessor that are not followed-up with a written agreement to the Lease. GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized, 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 in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. If Lessor delivers space with Tenant Improvements not authorized, in writing, by the GSA Contracting Officer, then the Lessor shall not be entitled to compensation or payment if the Tenant Improvements remain in place after the Government's acceptance of the space.

17. **The following changes were made to this lease prior to its execution and made apart hereof:**

- A. Unless otherwise noted, the Government accepts the leased premises and tenant improvements (per Exhibit C - Floorplans) in their current existing condition, with the following exceptions further outlined more thoroughly in this solicitation. These exceptions include, but are not limited to, security improvements, National Fire Protection Association (NFPA) requirements, ABAAS compliance for the base building, as well as compliance with all local codes and ordinances. The Lessor shall be responsible for continuing obligations for the cleaning, janitorial, maintenance, repair, etc. and attached General Clauses.
- B. During the lease term the Lessor shall only replace the carpet and repaint the space at the beginning of year six (6) of the lease - which includes the cost to move furnishings.
- C. SFO Paragraph 10.22 [REDACTED] REQUIREMENTS (NOV 2005) (BUILDING SHELL) shall be deleted in its entirety.
- D. SFO Paragraph 3.2 TENANT IMPROVEMENTS INCLUDED IN OFFER (AUG 2008) and SFO Paragraph 5.10 entitled CONSTRUCTION SCHEDULE shall be deleted in their entirety.

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

[REDACTED]

VICE President

Title

[REDACTED]
(printed name)

[REDACTED]

3 Park Plz Ste 900 F19
(Address)

IRVINE, CA 92614-8505
City State Zip

[REDACTED]

GENERAL SERVICES ADMINISTRATION

Supervisory Contracting Officer

(Official title)

GOVT [Signature] LESSOR [Signature]