



Two Circle Star Way - San Carlos, CA

Lease Abstract

BASIC INFORMATION

DBA:	SB U.S. LLC (Two Circle Star Way)	Property Type:	Office	Abstracted / Revised:	3/12/2014
Legal Tenant Name:	SB U.S. LLC (Assignee)	Premises SF:	103,904	Term (Year / Month):	6 / 10
Premises Address:	Two Circle Star Way				
Location:	San Carlos	CA	94070	Lease Agreement Date	8/1/2013
Landlord Name:	County of San Mateo	Lease Comm Date:	8/1/2013	Rent Comm Date:	1/1/2014
		Lease Expiration Date:	5/31/2020		

DOCUMENT INVENTORY

- 1) 8/1/2013 Office Building Lease

- 2) Form of Guaranty (Guar) (Undated and Unexecuted)

- 3) 2/21/2014 Letter re: Assignment and Subletting of Leases (Ltr)

- 4) Sublease Agreement (dated 2014 and unexecuted)

MISSING DOCUMENTS

A) Executed Guaranty

COMMENTS AND DISCREPANCIES - Subject to Verification

A) Comparison of Rent Roll dated 12/31/2013 vs. Lease: No issues

RENT TABLE (Current and Future Rent Terms)

Rent Description	Start Date	End Date	Annual Rent	Monthly Rent	PSF	Sq Ft	Pymt Due	Escalation
<i>Reference or Unit:</i>								
Base Rent - Office	1/1/2014	7/31/2014	\$2,867,750.40	\$238,979.20	\$27.60	103,904	M	
Base Rent - Office	8/1/2014	7/31/2015	\$2,992,435.20	\$249,369.60	\$28.80	103,904	M	
Base Rent - Office	8/1/2015	7/31/2016	\$3,117,120.00	\$259,760.00	\$30.00	103,904	M	
Base Rent - Office	8/1/2016	7/31/2017	\$3,241,804.80	\$270,150.40	\$31.20	103,904	M	
Base Rent - Office	8/1/2017	7/31/2018	\$3,366,489.60	\$280,540.80	\$32.40	103,904	M	
Base Rent - Office	8/1/2018	7/31/2019	\$3,491,174.40	\$290,931.20	\$33.60	103,904	M	
Base Rent - Office	8/1/2019	5/31/2020	\$3,615,859.20	\$301,321.60	\$34.80	103,904	M	

Rent Comments:	None.
Rent Abatements:	T paid \$0.00 Base Rent for Months 1-5 (8/1/2013 - 12/31/2013). (Lease/1)

OPTIONS

Renewal	Doc/Sec Lease/26.1	Next - Notice End Date:	08/31/19	Description:	Market
One 34 month option upon written notice no earlier than 15 months, and no later than 9 months, prior to the expiration of the initial term with Rent at 100% of the Prevailing Market Rate.		Next - Option Start Date	06/01/20	Amount (\$):	
		Next - Option End Date:	03/31/23		

REIMBURSEMENTS

CAM / Operating Expenses	Doc/Section: Lease/1; 26.2; Exh E
T shall pay T's Share (Building: 99.96%; Common Area of Campus: 49.98%) of Operating Expenses.	
Base Year	Doc/Section: N/A
None reflected.	
Gross Up	Doc/Section: N/A
None reflected.	
Real Estate Taxes	Doc/Section: Lease/1; 26.2; 27.22
The property consists of County Assessor's Parcel numbers: 046-240-180 and 052-103-170 together with the improvements thereon (County of San Mateo is the LL).	
The parties intend that this be a "triple net" Lease and that T pay the Base Rent owing under the Lease absolutely net of all costs and expenses relating to LL's ownership, operation, maintenance and repair of the Building.	
T agrees to pay taxes of any kind, including possessory interest taxes, that may be lawfully assessed on the leasehold interest created and to pay all other taxes, excises, licenses, permit charges and assessments based on T's usage of the Premises that may be imposed upon T by law.	
Real Estate Tax Assessment Limitation (On Sale)	Doc/Section: N/A
None reflected.	
Landlord Insurance	Doc/Section: Lease/19
T, at no cost to LL, shall procure and keep in effect at all time during the Term its insurance. T acknowledges that LL self-insures against casualty, property damage and public liability risks.	



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Utilities **Doc/Section:** Lease/10.1
 T shall pay all charges or assessments for telephone, water, sewer, gas, heat, electricity, garbage disposal, trash disposal, and all other utilities and services of any kind that may be used on the Premises.

Administration / Management Fee **Doc/Section:** Lease/8.3; 26.2b
 T agrees that as part of Additional Rent and Operating Expenses, T shall pay to LL its apportioned share of the LL's costs for Property Management Services; provided however, in no event will T be required to pay more than 3% of Base Rent as its apportioned share of such Property Management costs.

Taxes on Rent **Doc/Section:** N/A
 No Lease provision.

Building Services **Doc/Section:** Lease/5.4c
 T shall have access to Building Two 24/7.

Overtime HVAC **Doc/Section:** Lease/5.1c
 T shall have the ability to turn on HVAC during afterhours and weekends, with the cost of such afterhours HVAC usage to be the sole cost and expense of T.

Tenants Share Denominator **Doc/Section:** N/A
 No Lease provision.

TENANT IMPROVEMENT ALLOWANCE

Current / Future Tenant Improvement Allowance **Doc/Section:** Lease/1; 6.2; Exh C
 \$20/RSF (\$2,078,080) to be utilized by T for its interior improvements to the Building. LL shall have no obligation to disburse all or any portion of the T Improvement Allowance to T unless T makes a request for disbursement pursuant to the terms and conditions of Section 2.2 prior to that date which is the latter of: a) 12 months (8/1/2014) after the Lease Commencement Date or b) 30 days after notice from LL that the Tenant Improvement Allowance Period is ending (which notice may not be given by Landlord earlier than 9 months after the Commencement Date). Any unused portion of TI shall be retained by LL.

Prior Tenant Improvement Allowance **Doc/Section:** N/A
 No Lease provision.

SECURITY INFORMATION

Guarantor / Liability Limitations **Doc/Section:** Lease/26.3; Exh F
 Guarantor: Softbank Holdings, Inc.
 Limitation: None reflected.

Security Deposit (Current Amount) **Doc/Section:** Lease/1; 23
 \$0.00

Security Deposit Notes **Doc/Section:** Lease/1; 23
 None.

TENANT OPTIONS

Expansion **Doc/Section:** N/A
 No Lease provision.

Contraction **Doc/Section:** N/A
 No Lease provision.

Right of First Offer (ROFO) / Refusal (ROFR) **Doc/Section:** N/A
 No Lease provision.

Termination - Tenant (Other) **Doc/Section:** N/A
 No Lease provision.

Purchase **Doc/Section:** N/A
 No Lease provision.

LANDLORD OPTIONS

Relocation Rights - Landlord **Doc/Section:** N/A
 No Lease provision.

Termination - Landlord **Doc/Section:** N/A
 No Lease provision.

USE / RESTRICTIONS

Permitted Use **Doc/Section:** Lease/1; 5.1
 For general office use, research and development, laboratory and other operations incident to the conduct of T's business.

Exclusive - Restrictions on Other Tenants **Doc/Section:** N/A
 No Lease provision.

LEGAL

Assignment / Sublease Rights **Doc/Section:** Lease/16
 Is LL Consent Required: Yes, not to be unreasonably withheld.

Exceptions to LL Consent: T may Assign the Lease or Sublet any or all portions of the Premises to any T's Affiliate (any of the following: (1) any person or entity owning, directly or



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indirectly, 50% or more of the ownership interests of T (an "Owning Person"), (2) any entity, 50% or more of the ownership interests of which are owned, directly or indirectly, by any Owning Person, (3) any entity, 50% or more of the ownership interests of which are owned, directly or indirectly, by T, or (4) the Guarantor of the Lease) registered to conduct business in the State of California without obtaining the consent of LL by giving LL written notice of its intent thereof at least 15 business days before the proposed effective date of such transfer.

T shall have the right without the payment of a Transfer Premium, without the receipt of LL's consent, but on prior Notice to LL, to permit the occupancy of up to 15% of the rentable square feet of the Premises (in aggregate as to any and all such transferees), to any individual(s) or entities, not otherwise a T's Affiliate, which constitute a charitable organization with a relationship to T and/or to any business entity with a business relationship with T (which business relationship is not created solely in order to allow occupancy of the Premises under this Section 16.7) (collectively, "Tenant's Occupants"), provided certain conditions are met.

Can LL Recapture the Premises: Silent.

Assignor / Assignee	Doc/Section: Ltrr
Assignor: Starburst I, Inc.; Assignee: SB U.S. LLC; Effective Date: 3/14/2014	

Monetary Default	Doc/Section: Lease/17.1a
3 days after written notice ("First Unpaid Rent Notice Period") and continues for 3 days after written notice from LL following the First Unpaid Rent Notice Period ("Second Unpaid Rent Notice").	

Non-Monetary Default	Doc/Section: Lease/17.1b
15 days after written notice ("First Notice Period"), subject to certain exceptions, and continues for 3 days after written notice from LL following the First Notice Period ("Second Notice").	

Default Interest	Doc/Section: Lease/4.5
Any Rent, if not paid within 3 days following the date tenant receives a notice from LL or LL's Property Manager that such Rent was not paid on the due date, shall bear interest from the due date until paid at the rate of 10% per year or, if a higher rate is legally permissible, at the highest rate an individual is permitted to charge under law (the "Interest Rate"). However, interest shall not be payable on late charges incurred by T nor on any amounts on which late charges are paid by T to the extent this interest would cause the total interest to be in excess of that which an individual is lawfully permitted to charge.	

Late Fee	Doc/Section: Lease/4.4
If T fails to pay any Rent or any portion of Rent within 3 days following the date tenant receives a notice from LL or LL's Property Manager that such Rent was not paid on the due date, such unpaid amount shall be subject to a late payment charge equal to 5% of the unpaid amount in each instance.	

Subordination	Doc/Section: Lease/12
Currently no part of the Premises or the Property stands as security for any loans. Should the LL wish to use the Property to secure a loan, before doing so LL shall deliver to T a Subordination/Non-Disturbance Agreement ("SNDA") from any existing or future mortgage holder(s), ground lessor(s) or lien holder(s) as a condition precedent to any such subordination and, upon LL's request, T, or T's successor-in-interest, shall execute and deliver any and all instruments desired by LL evidencing such subordination in the manner requested by LL. LL represents to T that as of the date this Lease is executed, there exists to loan or ground lease encumbering the Building.	

Is Attornment by Tenant Provided: Yes.

Estoppel Certificate	Doc/Section: Lease/21
T, at any time and from time to time upon not less than 10 days' prior notice from LL, shall execute and deliver to LL or to any party designated by LL an estoppel certificate.	
LL, at any time and from time to time upon not less than 10 days' prior notice from T, shall execute and deliver to T or to any party designated by T an estoppel certificate.	

PROVISIONS - OTHER

Sublease / Note Basic Terms if Current	Doc/Section: Sublease
Per unexecuted Sublease Agreement, T subleases to Sprint Communications Company L.P., 32,041 SF, for the period 8/1/2014 - 7/31/2019, with Rent equal to \$133,333/mo.	

Tenant Insurance Requirements	Doc/Section: Lease/19.1; 19.2
Liability: not less than \$5,000,000 each occurrence combined single limit for bodily injury and property damage, including contractual liability, independent contractors, Special-form property damage, fire damage legal liability (of not less than \$50,000), personal injury, products and completed operations, and explosion, collapse and underground (XCU).	
All Risk: T shall be responsible for separately insuring T's Personal Property (no amount stated).	

Parking	Doc/Section: Lease/2.1
T shall have the use of its pro-rata share of the parking throughout the lease term and any extension thereof.	

Holdover	Doc/Section: Lease/27.12
Any holding over after the expiration of the Term with the express consent of LL shall be construed to automatically extend the Term of the Lease on a month-to-month basis at a Base Rent equal to 150% (but at 110% for the first month of any such holdover) of the latest Base Rent payable by T hereunder prior to such expiration, together with an amount estimated by LL for the monthly Additional Charges payable under the Lease, and shall otherwise be on the terms and conditions specified so far as applicable (except for those pertaining to the Term and any Extension Options). Any holding over without LL's consent shall constitute a default by T and entitle LL to exercise any or all of its remedies as provided herein, notwithstanding that LL may elect to accept one or more payments of Rent, and whether or not such amounts are at the holdover rate specified above or the rate in effect at the end of the Term of the Lease.	

Repairs / Maintenance - Landlord	Doc/Section: Lease/8.1
Subject to reimbursement as an operating expense, LL shall repair and maintain the Common Areas and the portions of the Campus other than the Premises. T shall reimburse LL for any damage to the Common Areas, excluding normal wear and tear, caused by any act or omission of T, its Agents or Invitees, except to the extent that such damage is covered by the Section 19.4 (Waiver or Subrogation) and the repair thereof is paid for by T's insurer. For the purpose of making any such repairs, LL may use structures in the Campus where reasonably required by the character of the work to be performed, provided that such work shall not block the main entrance to the Premises nor unreasonably interfere with T's business.	

Repairs / Maintenance - Tenant	Doc/Section: Lease/8.2
T shall maintain, at no expense to LL, the Premises (including, without limitation, the floors, interior plumbing, elevators, electrical wiring, fixtures and equipment) in good repair and working order and in a clean, secure, safe and sanitary condition. T shall promptly make all repairs and replacements: (a) at no cost to the LL, (b) by licensed contractors or qualified mechanics approved by LL, (c) so that the same shall be at least equal in quality, value and utility to the original work or installation, (d) in a manner and using equipment and materials that will not interfere with or impair the operations, use or occupation of the Building or the Building Systems, and (e) in accordance with any applicable Rules and	



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Regulations (as defined in Section 23.1 (Rules and Regulations) and all applicable laws, rules and regulations. If the cost of any such repairs or replacements is in excess of \$25,000 and is due to acts or omissions of T, its Agents or Invitees, then T shall pay to LL an administrative fee equal to LL's total "hard" costs in connection with LL's review of the work.

Signage (Pylon/Monument)

Doc/Section: Lease/5.3

LL agrees that, subject to Section 27.16 (Signs) and to the prior reasonable review and approval by LL, and compliance with all applicable governmental requirements and any signage criteria in any covenants, conditions, and restrictions recorded prior to the date of this Lease, T shall have exclusive right to all building signage (including any permitted use of the Building top) at Two Circle Star Way, and shall have its pro-rata share of the monument signage for the Property. Any and all signage may be transferred by T to an affiliated company, or approved assignee, or sublessee assuming such affiliate, assignee or sublessee occupies a minimum of 50% of the Building.