Exhibit A

MODIFIED LEASE ABSTRACT – THE REGENTS OF THE UNIVERSITY OF CALIFORNIA INITIAL OFFER FOR 4949 BROADWAY, SACRAMENTO

Lessor: The Regents of the University of California, a California public corporation ("University")

Tenant: State of California ("State")

Premises: Department of Justice Building
4949 Broadway
Sacramento, CA

Net Rentable Area: Per Offering Memorandum, 381,718 square feet. To be confirmed during due diligence period.

Commencement Date: The Lease Term shall commence at close of escrow.

Expiration Date/Term: Lease Term shall be twenty (20) years (240 months).

Rent: Rent shall be paid by the State in arrears on the last day of each month during the Lease Term as follows:

Years	SF	$/Month	$/SF/Month/**NNN**	$/Year	$/SF/Year
Years 1-5	381,718	$381,718	$1.00	$4,580,616	$12.00
Years 6-10	381,718	$419,890	$1.10	$5,038,678	$13.20
Years 11-15	381,718	$461,879	$1.21	$5,542,545	$14.52
Years 16-20	381,718	$507,685	$1.33	$6,092,219	$15.96

NNN Lease (with Property Management Services):

This will be a **NNN Lease**. As a service to the State, the University will contract with the third party property manager and administer the contract, including the services provided under the property management contract (e.g. custodial, maintenance and repairs, elevator service, landscaping and parking lot maintenance)("Property Management Services"). The **actual costs** of the Property Management Services (including the property management fee) will be passed through to the State on a monthly basis. The State, at the State's sole cost and expense, shall be directly responsible for all other services related to its tenancy, including but not limited to: utilities, sewer, trash disposal, water, security.

Parking: One thousand sixty seven (1,067) parking spaces. State shall have the exclusive right to use all parking at no charge. To the extent the State does not fully utilize all of its parking; the University may use such excess parking at no charge. Further, the University will retain the right to utilize the parking areas for the installation of photovoltaic arrays, as long as there is still sufficient parking to serve the State's parking needs.

Repair and Maintenance and Capital Repairs and Replacements:

As a service to the State, the University will contract with the third party property manager and administer the contract, including the services provided under the property management contract (e.g. custodial, maintenance and repairs, elevator service, landscaping and parking lot maintenance)("Property Management Services"). The **actual costs** of the Property Management Services (including the property management fee) will be passed through to the State on a monthly basis. The University, at the University's sole cost shall maintain the roof and the structure of the building (shell of building and foundations) and be responsible for the capital renewal of the mechanical systems.

CPI Escalator Operating Expense: This will be a NNN Lease. Therefore, there will be no CPI Escalator because the State shall be responsible for all operating expenses (including the Property Management Services which will be passed through to the State on an actual cost basis).

Property Tax Expense Escalator: Both the University and the State are exempt from property taxes; accordingly, no property taxes have been included in this pro forma.

Painting and Carpet: This will be a NNN Lease. Accordingly, there is no refurbishment allowance for paint and carpet or floor covering. This shall be the responsibility of the State at its sole cost and expense.

Assignment and Subletting: The University intends to use tax-exempt financing to finance the purchase of the Premises. The State agrees to provide documents required by the University to qualify for tax-exempt financing. The State may sublet the Premises, but only to a tax-exempt entity that meets the qualifications for tax-exempt financing and with the prior written consent of the University, which consent shall not be unreasonably withheld. The State may not assign its interest in the lease.

Insurance:

The University, at is sole cost and expense, shall insure its activities in connection with the lease and obtain, keep in force and maintain insurance as follows: General Liability Self-Insurance Program (contractual liability included) with minimum limits as follows: (1) Each Occurrence $1,000,000; (2) Products/Completed Operations Aggregate $1,000,000; (3) Personal and Advertising Injury $1,000,000; (4) General Aggregate $5,000,000. In addition, the University shall obtain, keep in force and maintain Business Automobile Liability Self-Insurance Program for owned, non-owned or hired automobiles with a combined single limit of not less than $1,000,000 per occurrence. The University shall maintain Property, Fire and Extended Coverage Self-Insurance Program in an amount equal to one hundred percent of the full replacement value of the Building (excluding land and the footings, foundations and installations below the basement

level) and the costs of demolition and debris removal. The University shall maintain Workers' Compensation as required by California law. The coverages for General Liability and Business Automobile Liability shall include the State as additional insured. Such a provision shall apply on in proportion to and to the extent of the negligent acts or omissions of the University, its officers, agents and employees. The University shall furnish the State with certificates of insurance evidencing compliance with all requirements. Certificates shall provide for thirty (30) days advance written notice to the State of any material modification, change or cancellation of any of the above insurance coverages. The coverages required shall not limit the liability of the University.

The State, at its sole cost and expense, shall insure its own activities in connection with the lease and obtain, keep in force and maintain insurance as follows: Commercial Form General Liability Insurance (contractual liability included) with minimum limits as follows: (1) Each Occurrence $1,000,000; (2) Products/Completed Operations Aggregate $1,000,000; (3) Personal and Advertising Injury $ 1,000,000; (4) General Aggregate $ 10,000,000. If the above insurance is written on a claims-made form, it shall continue for three (3) years following termination of this Lease. The insurance shall have a retroactive date of placement prior to or coinciding with the Lease Commencement Date. In addition, the State shall obtain, keep in force and maintain Business Automobile Liability Insurance for owned, scheduled, non-owned, or hired automobiles with a combined single limit of not less than $1,000,000 per occurrence. The State shall obtain, keep in force and maintain Property, Fire and Extended Coverage Insurance in an amount sufficient to reimburse the State for all of its equipment, trade fixtures, inventory, fixtures and other personal property located on or in the Premises including leasehold improvements hereinafter constructed or installed. The State shall obtain, keep in force and maintain Workers' Compensation as required by California law. Such other insurance in such amounts which from time to time may be reasonably required by the mutual consent of Tenant and Landlord against other insurable risks relating to performance. The coverages for General Liability and Business Automobile Liability shall include the University as additional insured. Such a provision shall apply only in proportion to and to the extent of the negligent acts or omissions of the State, its officers, partners, agents, and employees. The State, upon the execution of this Lease, shall furnish the University with certificates of insurance evidencing compliance with all requirements. Certificates shall provide for thirty (30) days (ten (10) days for non-payment of premium) advance written notice to the University of any material modification, change or cancellation of any of the above insurance coverages. The coverages required herein shall not limit the liability of the State.

Property Taxes: This will be a NNN lease. Any property taxes assessed against the leased premises shall be the sole responsibility of the State.

Right of First Refusal: At any time that is ninety (90) days or more prior to the then scheduled lease termination date, if the University receives bona fide offer from unaffiliated third party to purchase the University's interest in the Property, the State shall have up to thirty (30) days from receipt of the University's written notice of receipt of such offer to respond in writing advising the University of the State's election to acquire the University's Interest in Property under same terms and conditions as those set forth in such third party offer.

Option to Renew Lease:

The State shall have the option to extend the term of the lease for **two (2)** additional terms of five years each, on the same terms, conditions and covenants as are set forth in the Lease, with the exception of Basic Rent. The State shall provide written notice of its intention to extend the lease at least twenty four (24) months prior to the expiration of the then applicable term of its lease. Rent during the applicable renewal tern shall be set on the basis of the same schedule of ten percent (10%) increases at the end of each five years that applied to the Initial Term, thus the monthly rent during the applicable renewal term shall be equivalent to one hundred and ten percent (110%) of the monthly rent payable during the immediately preceding year of the lease.

Onsite Management:

This will be a NNN lease. As a service to the State, the University will contract with the third party property manager and administer the contract, including the services provided under the property management contract (e.g. custodial, maintenance and repairs, elevator service, landscaping and parking lot maintenance)("Property Management Services"). The **actual costs** of the Property Management Services (including the property management fee) will be passed through to the State on a monthly basis.

Operating Lease:

The lease is intended to be treated as an Operating Lease on behalf of the State, under current FASB/GASB rules governing Operating Lease standards (i.e. FAS 13, FAS 66 and FAS 98). The University needs to review the proposed purchase and lease agreement terms before it can demonstrate that its purchase offer will comply with these standards.

Offer Subject to Approval by the Regents of the University of California:

This Lease Abstract sets forth general business terms for negotiation purposes and does not constitute a formal and binding offer. It does not create any legal rights or obligations between the parties or any obligation to proceed with negotiation. It is intended that any and all legal rights and obligations between the University and the State will come into existence only when a lease agreement is approved by The Regents of the University of California, executed and delivered by both parties.