

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1D16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: July 8, 2010

LEASE No. GS-09B-02491

THIS LEASE, made and entered into this date between BREF 333 LLC

whose address is: Three World Financial Center
200 Vesey Street, 10th Floor
New York, NY 10281-1021

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:

53,341 rentable square feet (r.s.f.), yielding approximately 45,355 ANSI/BOMA Office Area square feet and related space located on floors basement mezz, 4, 5, and 6 at the 333 Bush Building located at 333 Bush Street, San Francisco, CA 94104 together with fourteen (14) onsite structured valet parking spaces, as depicted on the attached Floor Plan (Exhibit "A") (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.

3. PARAGRAPH 3 IS INTENTIONALLY OMITTED.

4. The Government may terminate this lease in whole or in part effective any time after the 5th year by giving at least sixty (60) days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. PARAGRAPH 5 IS INTENTIONALLY OMITTED.

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

- A. The fourteen (14) parking space(s) described in Paragraph 1 and parking spaces required by local code.
- B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 9CA2989 and its attachments.
- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

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

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) Sheet Number 1-3, containing Paragraphs 9-27;
- b) The Solicitation For Offers Number 9CA2989 (pages 1-46)
(all references to SFO shall also refer to any Spatial Program Requirements and Amendments);
- c) SFO Amendment Number 1 (1 page);
- d) SFO Amendment Number 2 (pages 1 - 3);
- e) Attachment Number 1: [REDACTED] Office of the Solicitor, Office of the Secretary Spatial Program Requirements (pages 1-7);
- f) Attachment Number 2: Unit Costs for Adjustments (1 page);
- g) GSA Form 3517B (pages 1-33);
- h) GSA Form 3518 (pages 1-7);
- i) Small Business Subcontracting Plan;
- j) Floor Plan (Exhibit "A") (pages 1 - 4)

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

Paragraphs 2, 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 27 have been added.

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

LESSOR: BREF 333 LLC, by Brookfield Properties Management (CA) Inc.

BY:

[Signature]
(Signature)

[Signature]
(Signature)

Brookfield Properties Management (CA) Inc.

IN PRESENCE OF:

[Signature]
(Signature)

601 S. Figueroa Street, Suite 2200

Los Angeles, CA 90017

(Address)

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY:

[Signature]
PETER SHTEYN, CONTRACTING OFFICER, GSA

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following ten (10) years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

10. The Government shall pay the Lessor annual rent as follows:

For months 1 through 9, free rent

For months 10 through 36, annual rent of \$1,600,230.00 at the rate of \$133,352.50 per month in arrears.

For months 37 through 84, annual rent of \$1,706,912.00 at the rate of \$142,242.67 per month in arrears.

For months 85 through 120, annual rent of \$1,866,935.00 at the rate of \$155,577.92 per month in arrears.

	Months 1 - 9		Months 10 - 36		Months 37 - 60		Months 61 - 84		Months 85 - 120	
	Annual Rent	Annual Rate per RSF	Annual Rent	Annual Rate Per RSF	Annual Rent	Annual Rate Per RSF	Annual Rent	Annual Rate Per RSF	Annual Rent	Annual Rate Per RSF
Shell Rental Rate	\$0.00	\$0.00	\$405,391.60	\$7.60	\$512,073.60	\$9.60	\$1,087,622.99	\$20.39	\$1,247,645.99	\$23.39
T.I. Rental Rate	\$0.00	\$0.00	\$575,549.39	\$10.79	\$575,549.39	\$10.79	\$0.00	\$0.00	\$0.00	\$0.00
Operating Cost	\$0.00	\$0.00	\$619,289.01	\$11.61	\$619,289.01	\$11.61	\$619,289.01	\$11.61	\$619,289.01	\$11.61
Full Service Rate	\$0.00	\$0.00	\$1,600,230.00	\$30.00	\$1,706,912.00	\$32.00	\$1,706,912.00	\$32.00	\$1,866,935.00	\$35.00

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

BREF 333 LLC
c/o Brookfield Properties
Three World Financial Center
200 Vesey Street, 10th Floor
New York, NY 10281-1021

11. The Lessor shall have 90 working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to SFO Amendment Number 2, "Tax Adjustment GSAM 552.270-24," for purposes of tax escalation, the Government occupies 53,341/542,743 rentable square feet (9.83%).
13. **OPERATING COST:** Pursuant to Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$11.61 per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.3, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$3.00 per ANSI/BOMA Office Area square foot per annum for operating expenses. This vacant space rate reduction applies only to a full floor vacancy. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.2, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.5, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. - 6:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours"), at a rate of \$285.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a

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proper invoice quarterly to GSA Building Manager or designee located at the Sansome Field Office, 630 Sansome Street, Room 1040, San Francisco, CA 94111, to receive payment.

16. **24 HOUR ROOMS:** The Overtime Usage rate specified above 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. The charges for heating and cooling of these areas shall be provided at a separately metered rate. All supplemental HVAC units will be separately metered for both electrical and condenser water and billed directly to the tenant at actual costs. The cost for the installation of the supplemental units(s) and metering shall be paid from the Tenant Improvement Allowance.
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the five (5) year firm term of the lease agreement at an interest rate (amortization rate) of 8% per year.
18. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.10 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.10 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.3 (B), (1) through (10), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
 - D. The construction schedule required in Paragraph 5.10 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
 - E. In addition to the submission requirements specified under Paragraph 5.10, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 30 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
19. **ACCEPTANCE OF SPACE:**
- A. The following is added to Paragraph 5.10 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
 - B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
 - C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.
20. **OCCUPANCY REPORTS:**
- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
 - B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.
21. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

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SHEET NUMBER 3 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02491

22. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
23. Pursuant to Paragraph 5.2, "Unit Costs for Adjustments", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

ITEM

UNIT COST

See Attachment Number 2: Unit Costs for Adjustments

24. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.
25. PARAGRAPH 25 IS INTENTIONALLY OMITTED.

26. General Clauses Paragraph 2, 552.270-5 **SUBLETTING AND ASSIGNMENT (SEP 1999)** is deleted in its entirety and replaced with the following Paragraph:

The Government may sublet any part of the premises but shall not be relieved from any obligations under this lease by reason of any such subletting. The Government may at any time assign this lease, and be relieved from all obligations to Lessor under this lease excepting only unpaid rent and other liabilities, if any, that have accrued to the date of said assignment. Any assignment shall be subject to prior written consent of Lessor, which shall not be unreasonably withheld. The proposed sublessee shall not increase occupant load or foot traffic to the Building. Any failure of the Lessor to approve or disapprove of a proposed subletting or assignment within fifteen (15) calendar days of the date the Government sent written notice thereof to the Lessor shall be deemed consent by the Lessor to such proposed assignment or subletting.

27. General Clauses Paragraph 6, 552.270-25 **SUBSTITUTION OF TENANT AGENCY (SEP 1999)** is deleted in its entirety and replaced with the following Paragraph:

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease, provided the replacement agency does not change the character of the Government's business or increase occupant load or foot traffic to the Building. This paragraph shall not in any way be construed to limit the legitimate association and housing of other Government agency representatives necessary for the performance of its mission.

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