STANDARD FORM 2 FEBRUARY 1965 EDITION GENERAL SERVICES ADMINISTRATION FPR (41CFR) 1D16.601	**U.S. GOVERNMENT** **LEASE FOR REAL PROPERTY**

DATE OF LEASE: March 11, 2011	LEASE No. GS-09B-02657

THIS LEASE, made and entered into this date between 1300 Factory Place, LLC

whose address is: 629 S. Central Avenue
Los Angeles, CA 90021-1050

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:

   Approximately 5,750 rentable square feet (r.s.f.) of warehouse space, yielding 5,000 ANSI/BOMA Office Area square feet and related space located on the Basement Floor at 1300 Factory Place, Los Angeles, CA 90013-2214 together with one (1) surface parking space, as depicted on the attached floor plans marked Exhibit A (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. **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, five (5) years firm term in accordance with Paragraph 15 entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

3. PARAGRAPH 3 IS INTENTIONALLY OMITTED

4. The Government may terminate this lease in whole or in part effective any time after the fifth (5) year of this lease by giving at least thirty (30) 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

CONTINUED ON ATTACHED PAGE.

9. The Government shall pay the Lessor annual rent of $81,650.00 at the rate of $6,804.17 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be payable to:

[redacted]

10. **DELIVERY OF SPACE**: The Lessor shall have 120 calendar days from the receipt of lease award to complete the build-out of the entire space or 30 days from receipt of Certificate of Occupancy of renovated building, whichever is earlier. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.

11. **OPERATING COST**: Pursuant to Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at $4.20 per rentable square foot per annum.

12. **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 $4.20 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.2, "Operating Costs."

13. **ACCEPTANCE OF SPACE:**
    A. The following is added to Paragraph 5. 9 (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 10 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.

14. **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.**

15. 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".

16. Pursuant to Paragraph 5.1, "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
[redacted]	

Initials: _____ & _____
Lessor Government

[redacted]

17. **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.

18. Effective November 2, 2010, the Government shall temporarily occupy Suite 627, located at 627 Central Avenue, Los Angeles, CA 90021-1050 with one (1) surface parking space. Suite 627 is approximately 2,339 rentable square feet (r.s.f.), yielding 2,339 ANSI/BOMA Office Area square feet, as depicted on the attached floor plan marked Exhibit B ("Temporary Premises"), and to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION until acceptance of Premises, as described in Paragraph 1, pursuant to Paragraph 10, entitled "Delivery of Space and Paragraph 15, entitled "Acceptance of Space". Suite 627 shall be provided by the Lessor as "Free Space" at no cost to the Government, and shall not be subject to any operating cost escalations.

Initials: _____ & _____
Lessor Government

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
   A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
   B. Adequate space for telecommunications antenna 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 hereof:

   All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:
   a) The Solicitation For Offers Number LCA01468 (pages 1-41) (all references to SFO shall also refer to any Special Requirements and Amendments);
   b) Amendment Number 1 (page 1),
   c) Amendment Number 2 (page 1);
   d) GSA Form 3517 (pages 1-33);
   e) GSA Form 3518 (pages 1-7);
   f) Sheet no. 1-2 containing Paragraphs 9-21;
   g) Site Plan (Exhibit "A", page 1).
   h) Temporary Premises (Exhibit "B", page 1)

8. The following changes were made in this lease prior to its execution:
   Paragraphs 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 18 have been added.

CONTINUED ON ATTACHED SHEET NUMBER 1.

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

LESSOR: 1300 Factory Place, LLC

BY _____ _____
(Signature) Howard Klein (Signature)

IN PRESENCE OF:

_____ 629 S. Central Ave. Los Angeles, Ca 90021
(Signature) Shawn Alva (Address)

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

BY _____
CONTRACTING OFFICER, GSA