

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

MAR 06 2012

LEASE No. GS-09B-02976

THIS LEASE, made and entered into this date between the CITY OF SAN DIEGO, a California municipal corporation, whose address is:

Real Estate Assets Department, Attention: Real Estate Assets Director, 1200 Third Avenue, Suite 1700, MS51A, San Diego CA 92101-4155

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR or the CITY, 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:

9,452 rentable square feet (RSF), yielding approximately 9,263 ANSI/BOMA Office Area square feet (ABOASF) and related space, together with 3,000 square feet of outdoor playground space, located at the KID'S on Broadway Children's Center, 475 West Broadway, San Diego, CA with Eight (8) onsite surface parking spaces, as depicted on the attached site plan (Exhibit A) (the "Premises"), to be used for A CHILD CARE FACILITY or other use acceptable to the Lessor.

2. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on February 12, 2012 and continuing through February 11, 2015, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent of \$393,600.00 at the rate of \$32,800 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be payable to:

City Treasurer
c/o Centre City Development Corporation
401 B Street, Suite 400
San Diego, CA 92101

4. The parties hereto may terminate this Lease, in whole or in part, by giving at least 180 calendar days prior notice in writing to the other party. No rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. The Government currently leases and occupies the Premises under the terms of that certain U.S. Government Lease for Real Property dated August 7, 1995 (Lease No. GS-09B-94004), as amended, which expires February 12, 2012, between the Government and Broadway Day Care, LLC. Broadway Day Care, LLC has constructed a childcare center on the Premises. Upon expiration of the lease between the Government and Broadway Day Care, LLC, Government will remain as lessee and occupant of the Premises pursuant to the terms of this Lease between the Government and Lessor. Any other provision of this Lease notwithstanding, including any provision in any of the documents listed in PARAGRAPH 7 of this Lease, Government and Lessor acknowledge and agree to the following:
 - A. Government has inspected and is familiar with the Premises and their condition. To the extent reasonably discoverable through a joint inspection with Lessor, or Lessor's designated representative prior to commencement of the lease, the Government finds that the Premises currently meet all Government's requirements and specifications, including but not limited to those contained in Paragraphs 6, 16, 21, 22, 24 through 35, 41, 43, 46, 49, and 50 of this Lease (along with all subparagraphs contained in each), and are acceptable for purposes of the Lease, and that Lessor is not obligated to perform any alterations, improvements, and repairs prior to or as a precondition of Government's acceptance of the Premises, the commencement of the Lease term, or the commencement of Government's rent payment obligations. However, nothing in this provision shall be construed as limiting the Lessor's obligation to maintain in good order and repair the building shell and base structure as identified in the Paragraphs listed above.
 - B. Any provision in this Lease to the contrary notwithstanding, the Lessor may at any time, in its sole and absolute discretion, assign this Lease to the Redevelopment Agency Of The City Of San Diego, a public body, corporate and politic ("Agency"), or any Governmental entity of which the Agency has ownership control, which shall succeed to the rights and duties of Lessor under this Lease. Lessor shall notify the Government in writing if such an assignment is made. The Government hereby releases Lessor from all of Lessor's obligations under this Lease as of the effective date of such an assignment. The Government shall attorn to the Assignee of such an assignment effective as of the effective date of such an assignment.

- C. As a condition for being recognized as the Lessor and entitlement to receiving rent, the Assignee must complete a Central Contractor Registration ("CCR") (See FAR 52.232-33) and complete and sign GSA Form 3518A, Representations and Certifications (to substitute Exhibit B, hereto). If title to the Property is transferred, or the Lease is assigned, rent shall continue to accrue, subject to the Government's rights as provided for in this Lease. However, the Government's obligation to pay rent to the Transferee shall be suspended until the Government has received all information reasonably required pursuant to this paragraph.
- D. Lessor shall not be obligated to make any relocation payments to Government or any sublessor(s) or assignee(s) under this Lease, or as a result of termination or expiration of this Lease.
- E. Clause 10 of GSA Form 3517B – Delivery and Condition, Clause 11 of GSA Form 3517B – Default in Delivery, and Clause 20 of GSA Form 3517B – Acceptance of Space, do not apply to this Lease and are hereby deleted.
- F. Subsection (b) of Clause 16 of GSA Form 3517B, Default by Lessor During the Term, is amended to read, in its entirety: "If a default occurs, the Government may, by notice to Lessor, terminate this lease for default."

G. To the extent the City has any financial obligations pursuant to this Lease, such financial obligation is and shall be a special limited obligation, payable solely from revenue, received by the City as a result of its ownership of the Premises since March 15, 2011, which revenue is held in ****[Insert Account Information]****. Any such financial obligation is not and shall not be a pledge of or obligation payable through the City's general fund. Accordingly, nothing in this Lease shall require or be deemed to require the City to expend or commit to expend monies from its general fund to satisfy any of the obligations set forth in this Lease.

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 antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Lease.

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) Sheet Numbers 1- 9, containing Paragraphs 9-53;
- b) GSA Form 3517 (pages 1-2, General Clauses);
- c) GSA Form 3518 (pages 1-7, Representations and Certifications) (Exhibit "B");
- d) Site Plan (Exhibit "A", 1 page).

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

Paragraphs 9 through 53 have been added.

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

LESSOR: The CITY OF SAN DIEGO, a California municipal corporation

BY

(Signature)

(Signature)

IN PRESENCE OF:

(Signature)

(Address)

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

BY

CONTRACTING OFFICER, GSA

APPROVED AS FORM & LEGALITY:
JAN I. GOLDSMITH, CITY ATTORNEY
BY: Brock Ladewig
Deputy City Attorney

AGK