

LEASE NO. GS-09P-LCA00154

Global Lease
GSA FORM L100 (03/2016)

This Lease is made and entered into between

Lessor's Name PR 35 NORTH LAKE, LLC

(Lessor), whose principal place of business is 35 N LAKE AVE., SUITE 640, PASADENA, CA 91101-4110 and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Pasadena Financial Center
35 N. Lake Avenue
Pasadena, CA 91101-1819

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM


To Have and to Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

10 Years, 10 Years Firm,


subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.


FOR THE LESSOR:


Name: Pedro Sanchez
Title: Vice President
Entity Name: PR 35 NORTH LAKE, LLC
Date: 10/28/16

FOR THE GOVERNMENT:


Name: Brandy Ocker
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 11/01/2016

WITNESSED FOR THE LESSOR BY:


Name: Maria Trinh
Title: Vice President
Date: 10/28/16

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SEP 2015)

The Premises are described as follows:

- A. **Office and Related Space:** 17,887 rentable square feet (RSF), yielding 15,392 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the third floor and known as Suite 300, of the Building, as depicted on the floor plan attached hereto as Exhibit A.
- B. **Common Area Factor:** The Common Area Factor (CAF) is established as 1.162097190 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.
- C. INTENTIONALLY DELETED

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas on the floor where the leased Premises is located. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. **Parking:** Four (4) parking spaces as depicted on the plan attached hereto as Exhibit B and numbered B10 through B13, reserved for the exclusive use of the Government, of which four (4) shall be structured/inside parking spaces, and zero (0) shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property, at prevailing parking rates.
- B. INTENTIONALLY DELETED

1.03 RENT AND OTHER CONSIDERATION (SEP 2015)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	Months 1-10 ¹	Months 11-12	Year 2	Year 3
	Annual Rent	Annual Rent	Annual Rent	Annual Rent
Shell Rent ²	\$0.00 ¹	\$ 437,337.15	\$ 446,101.78	\$ 455,045.28
Tenant Improvements rent ³	\$0.00 ¹	\$ 82,014.12	\$ 82,014.12	\$ 82,014.12
Operating Costs ⁴	\$0.00 ¹	\$ 198,915.96	\$ 198,915.96	\$ 198,915.96
Building Specific Amortized Capital (BSAC) ⁵	\$0.00 ¹	\$ 2,580.23	\$ 2,580.23	\$ 2,580.23
Total Annual Rent	\$0.00	\$720,847.46	\$ 729,612.09	\$738,555.59

	Year 4	Year 5	Year 6	Year 7
	Annual Rent	Annual Rent	Annual Rent	Annual Rent
Shell Rent ²	\$ 464,167.65	\$ 473,468.89	\$ 482,770.13	\$ 492,429.11
Tenant Improvements rent ³	\$ 82,014.12	\$ 82,014.12	\$ 82,014.12	\$ 82,014.12
Operating Costs ⁴	\$ 198,915.96	\$ 198,915.96	\$ 198,915.96	\$ 198,915.96
Building Specific Amortized Capital (BSAC) ⁵	\$ 2,580.23	\$ 2,580.23	\$ 2,580.23	\$ 2,580.23
Total Annual Rent	\$ 747,677.96	\$756,979.20	\$766,280.44	\$ 776,939.42

	Year 8	Year 9	Year 10
	Annual Rent	Annual Rent	Annual Rent
Shell Rent ¹	\$ 502,266.96	\$ 512,462.55	\$ 522,658.14
Tenant Improvements rent ²	\$ 82,014.12	\$ 82,014.12	\$ 82,014.12
Operating Costs ⁴	\$ 198,915.96	\$ 198,915.96	\$ 198,915.96
Building Specific Amortized Capital (BSAC) ⁵	\$ 2,580.23	\$ 2,580.23	\$ 2,580.23
Total Annual Rent	\$ 785,777.27	\$ 795,972.86	\$ 806,168.45

¹ The first ten (10) months' rent is fully abated, including Shell, Operating Costs, Amortized TI and BSAC Rent.

² Shell rent calculation:

Year 1	\$24.45	per RSF multiplied by 17,887 RSF
Year 2	\$24.94	per RSF multiplied by 17,887 RSF
Year 3	\$25.44	per RSF multiplied by 17,887 RSF
Year 4	\$25.95	per RSF multiplied by 17,887 RSF
Year 5	\$26.47	per RSF multiplied by 17,887 RSF
Year 6	\$26.99	per RSF multiplied by 17,887 RSF
Year 7	\$27.53	per RSF multiplied by 17,887 RSF
Year 8	\$28.08	per RSF multiplied by 17,887 RSF
Year 9	\$28.65	per RSF multiplied by 17,887 RSF
Year 10	\$29.22	per RSF multiplied by 17,887 RSF

³ Tenant improvements of \$820,141.18 are amortized at a rate of ZERO (0) percent per annum over 10 years.

⁴ Operating Costs rent calculation: \$11.1207 per RSF multiplied by 17,887 RSF

⁵ Building Specific Amortized Capital (BSAC) of \$25,802.34 are amortized at a rate of ZERO (0) percent per annum over 10 years

B. INTENTIONALLY DELETED.

C. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 15,392 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

D. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. INTENTIONALLY DELETED

F. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

G. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered and active in SAM.

H. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.
4. Twenty-four hour on-site security services.

I. INTENTIONALLY DELETED

J. In accordance with the Lease negotiations, the Lessor has offered free rent to the Government for the first TEN (10) months of the Lease. Therefore, the first TEN (10) months of the Lease shall be provided at no cost to the Government.

- K. So long as Lessor has the right to allow its tenants of the Property to use the conference and fitness facilities located at 790 E Colorado Boulevard, the Lessor shall provide to the Government tenants under this Lease the use of conference and fitness facilities located at 790 E Colorado Boulevard at no additional cost to the Government, subject to the following provisions:
1. There will be no additional fees associated with normal use of either of the facilities.
 2. Prior to the first use of the conference and fitness facilities, the Government and the Lessor will develop a mutually agreeable written description of access protocol to conference rooms and fitness rooms, and will additionally establish a written understanding of "normal use" of these facilities, including the hours each of the facilities availability for use by the Government and its employees.
- L. Notices regarding this Lease shall be made in care of The Prudential Insurance Company of America, 4 Embarcadero Center, 27th Floor, San Francisco, California 94111, to the attention of PRISA Asset Manager.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015)

- A. Carpenter/Robbins Commercial Real Estate, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission will be payable to Carpenter/Robbins Commercial Real Estate, Inc. with the remaining [REDACTED] which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the eleventh (11) month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.
- B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 through Month 10: Rental Payment \$0.00 (free rent for Months 1-10 on all Lease Rent components).
 Month 11 Rental Payment \$60,070.62 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 11th Month's Rent.*
 Month 12 Rental Payment \$60,070.62 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 12th Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 INTENTIONALLY DELETED

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2015)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	No. OF PAGES	EXHIBIT
AGENCY REQUIREMENTS	10	A
SECURITY REQUIREMENTS	7	B
GSA FORM 3517B GENERAL CLAUSES (REV 06/16)	15	C
FLOOR PLAN	1	D
PARKING PLAN	1	E
SECURITY UNIT PRICE LIST	2	F
GSA FORM 3518-SAM	2	G
SEISMIC FORM B AND TIER EVALUATION, EXISTING BUILDING	18	H

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

- A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$53,283,600 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the ten (10) Firm Term of this Lease at an annual interest rate of ZERO (0) percent.
- B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.
- C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

D. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the coverage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.09 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (% OF TI + BSAC CONSTRUCTION COSTS)	5%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI + BSAC CONSTRUCTION COSTS)	3.70%

1.10 INTENTIONALLY DELETED

1.11 INTENTIONALLY DELETED

1.12 PERCENTAGE OF OCCUPANCY

As of the Lease Award Date, the Government's Percentage of Occupancy is 11.32 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 17,887 RSF by the total Building space of 158,075 RSF.

1.13 INTENTIONALLY DELETED

1.14 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$11.1207 per RSF (\$198,916.96/annum).

1.15 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$1.00 per ABOA SF of Space vacated by the Government.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$ 75.00 per hour for the entire Space. *

* The Lessor, as a concession to the Government, will provide up to one hundred (100) hours of overtime HVAC per lease year free of charge. This credit is not cumulative between years and will reset annually on the anniversary of lease commencement.

1.17 INTENTIONALLY DELETED

1.18 BUILDING IMPROVEMENTS (MAR 2016)

Before the Government accepts the Space, the Lessor shall complete the following additional Building Improvements:

- A. Two rooftop boilers have rigid gas connections and marginal anchorage where only two corners of each piece of equipment are anchored to the roof. Anchorage should be provided at all the equipment corners, and rigid connections of gas lines should be replaced with flexible ones.
- B. Building fire alarm control unit will be replaced, if necessary, to comply with Paragraph 3.15, Subparagraph E, of this Lease.

1.19 INTENTIONALLY DELETED