

This Lease is made and entered into between

City of San Marcos, California

(Lessor), whose principal place of business is 1 Civic Center Drive, San Marcos, CA 92069-2918, 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

1 Civic Center Drive, San Marcos, CA92069-2918

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 on February 15, 2018 and continuing for a period of

\_\_\_\_\_ Years Firm, through \_\_\_\_\_

subject to termination and renewal rights as may be hereinafter set forth.

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: Jack Griffin  
Title: City Manager  
Entity Name: City of San Marcos, California  
Date: February 12, 2018

FOR THE GOVERNMENT:

\_\_\_\_\_  
Name: Lawrence C. Becker  
Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: 3/8/18

WITNESSED FOR THE LESSOR BY:

\_\_\_\_\_  
Name: Mavis Anguiano  
Title: Real Property Services Manager  
Date: February 12, 2018

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 (OCT 2016)**

The Premises are described as follows:

A. **Office and Related Space:** 20,111 rentable square feet (RSF), yielding 17,488 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 2<sup>nd</sup> and 4<sup>th</sup> floor(s) and known as Suite(s) 200 & 400, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. **Common Area Factor:** The Common Area Factor (CAF), defined under Section 2 of the Lease, is established as 1.1498856 percent. This factor, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

**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. 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:** 16 parking spaces as depicted on the plan attached hereto as Exhibit A, reserved for the exclusive use of the Government, of which 14 shall be structured/inside parking spaces, and 2 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.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

**1.03 RENT AND OTHER CONSIDERATION (OCT 2016)**

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

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$723,593.78	\$723,593.78
OPERATING COSTS <sup>2</sup>	\$ 102,566.10	\$ 102,566.10
TENANT IMPROVEMENTS RENT <sup>3</sup>	\$ 54,770.90	\$0.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	N/A	N/A
PARKING <sup>5</sup>	N/A	N/A
<b>TOTAL ANNUAL RENT</b>	<b>\$880,930.78</b>	<b>\$826,159.88</b>

<sup>1</sup>Shell rent calculation:

(Firm Term) \$35.98 per RSF multiplied by the RSF stated under Paragraph 1.01

(Non Firm Term) \$35.98 per RSF multiplied by the RSF stated under Paragraph 1.01

<sup>2</sup>Operating Costs rent calculation: \$5.10 per RSF multiplied by the RSF stated under Paragraph 1.01

<sup>3</sup>Tenant Improvements of \$236,088.00 are amortized at a rate of 6% percent per annum over 5 years.

<sup>4</sup>Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of N/A percent per annum over 0.00 years

<sup>5</sup>Parking costs described under sub-paragraph I below

B. 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.

C. 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.

D. 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.

E. 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 herein 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.

F. Parking shall be provided at a rate of \$0.00 per parking space per month (structured/inside), and \$0.00 per parking space per month (surface/outside).

**1.04 INTENTIONALLY DELETED**

**1.05 TERMINATION RIGHTS (OCT 2016)**

The Government may terminate this Lease, in whole or in parts, at any time effective after the Firm Term of this Lease, by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

**1.06 INTENTIONALLY DELETED**

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (OCT 2016)**

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S) & PARKING PLANS	5	A
AGENCY REQUIREMENTS	34	B
SECURITY REQUIREMENTS LEVEL II	7	C
GSA FORM 3517B GENERAL CLAUSES	15	D
GSA FORM 3518-SAM	3	E
SEISMIC	3	F

**1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)**

A. The Lessor has agreed to total TI pricing of \$273,509.60 based on the Agency's Requirements and design schematic included in Exhibit B. This amount is amortized in the rent over the Firm Term of this Lease at an interest rate of 6.00% percent per year.

B. The Government may elect to make lump sum payments for any or all work covered by the TI scope. That part of the TI 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 TI. If the Government elects to make a lump sum payment for the TI after occupancy, the payment of the TI by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

**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 (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$53,093.04
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	4%

**1.10 INTENTIONALLY DELETED**

**1.11 INTENTIONALLY DELETED**

**1.12 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (OCT 2016)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 13.68% percent. The Percentage of Occupancy is derived by dividing the total Government Space of 20,111 RSF by the total Building space of 146,989 RSF. The tax parcel number is 13537-417.

**1.13 INTENTIONALLY DELETED**

**1.14 OPERATING COST BASE (OCT 2016)**

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 \$5.10 per RSF.

**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 \$1.90 per ABOA SF of Space vacated by the Government.

**1.16 HOURLY OVERTIME HVAC RATES (OCT 2016)**

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

- \$ 50 per hour for the entire Space.

**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. New carpet and paint to the specification of the LCO.
- B. Disconnecting, reconnecting, and labor to move furniture for carpet and paint. Boxes will be provided for personal items.
- C. Upgrade lighting to the specification of the LCO.
- D. Repair leaking window / ceiling in suite 400.
- E. Provide solution to walls being marked in mailroom acceptable to the LCO.

**1.19 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)**

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.