

LEASE NO. GS-09P-LCA00324

AAAP Lease
GSA FORM L100_AAAP (October 2016)

This Lease is made and entered into between

SONNENBLICK DEL RIO NORWALK LLC

(Lessor), whose principal place of business is 12440 IMPERIAL HWY STE 101, NORWALK, CA 90650-3180, 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

12440 IMPERIAL HWY, NORWALK, CA 90650-3180

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

January 20, 2018 *JP*

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, 5 Years Firm,

subject to termination rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination 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:

FOR THE GOVERNMENT:

Name: ROBERT SONNENBLICK
Title: LLC MANAGER
Entity Name: Sonnenblick Del Rio Norwalk, LLC
Date: 3-7-18

Name: [REDACTED]
Name: JOHN A. BELL
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 3/7/18

WITNESSED FOR THE LESSOR BY:

Name: [REDACTED]
Title: REM
Date: 3-7-18

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: **42,803** rentable square feet (RSF), yielding **36,273** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **7** floor(s) and known as Suite(s) **700, 725, and 735**, 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 **1.18** 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: **156** parking spaces as depicted on the plan attached hereto as Exhibit **B**, reserved for the exclusive use of the Government, of which **0** shall be structured/inside parking spaces, and **156** 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 (AAP VARIATION (OCT 2016))

A.

1. 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 ¹	\$785,310.45	\$845,886.37
OPERATING COSTS ²	\$270,233.79	\$270,233.79
TENANT IMPROVEMENTS RENT ³	TBD	\$0.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	TBD	\$0.00
PARKING ⁵	\$0	\$0
TOTAL ANNUAL RENT	\$1,055,544.24	\$1,116,120.16

¹Shell rent calculation:

(Firm Term) **\$18.347089** per RSF multiplied by the RSF stated under Paragraph 1.01

(Non Firm Term) **\$19.762315** per RSF multiplied by the RSF stated under Paragraph 1.01

²Operating Costs rent calculation: **\$6.313431** per RSF multiplied by the RSF stated under Paragraph 1.01

³See A.2 below

⁴See A.3 below

⁵Parking costs described under sub-paragraph I below

2. The Tenant Improvement Allowance of \$2,093,819.03 will be amortized into the firm term rent upon the substantial completion and acceptance of the tenant improvements at an interest rate of 5 percent per annum over the remaining firm term of the Lease.
3. The Building Specific Amortized Capital Allowance of \$217,638.00 will be amortized into the firm term rent upon the substantial completion and acceptance of the tenant improvements at an interest rate of 5 percent per annum over the remaining firm term of the Lease.

B. INTENTIONALLY DELETED

C. INTENTIONALLY DELETED

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

E. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the firm term rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

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 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.

I. INTENTIONALLY DELETED

J. INTENTIONALLY DELETED

1.04 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 120 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.

1.05 DOCUMENTS INCORPORATED IN THE LEASE (AAP VARIATION (OCT 2016))

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
PARKING PLAN(S)	1	B
SPECIAL REQUIREMENTS	58	C
SECURITY REQUIREMENTS	7	D
GSA FORM 3517B GENERAL CLAUSES	15	E
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	F

1.06 TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)

- A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$57.7239** 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 Firm Term of this Lease at an annual interest rate of 5 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 identified TIA, the Government may elect to:
 - 1. Reduce the TI requirements;
 - 2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
 - 3. ~~Negotiate an increase in the rent.~~

1.07 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)	\$2
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	6%

1.08 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$6.00** per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 5 percent.

1.09 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

- A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.
- B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.
- C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:
 - 1. Reduce the security countermeasure requirements;
 - 2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
 - 3. ~~Negotiate an increase in the rent.~~

1.10 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (OCT 2016)

1.11 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 \$ 6.313431 per RSF.

1.12 ~~RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)~~

1.13 HOURLY OVERTIME HVAC RATES (OCT 2016)

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

- \$85.00 per hour per zone
- No. of zones: 3

1.14 ~~BUILDING IMPROVEMENTS (MAR 2016)~~

1.15 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.