

LEASE NO. GS-09B-02979

Standard Lease
GSA FORM L201C (September 2012)

INSTRUCTIONS TO OFFEROR: Do not attempt to complete this lease form (GSA Lease Form L201C, hereinafter Lease Form). Upon selection for award, GSA will transcribe the successful Offeror's final offered rent and other price data included on the lease proposal form (GSA Lease Proposal Form 1364C, hereinafter Lease Proposal Form) into a Lease Form, and transmit the completed Lease Form, together with appropriate attachments, to the successful Offeror for execution.

This Lease is made and entered into between

Lessor's Name

Hines VAF II 444 South Flower LP, whose principal place of business is **444 South Flower LP, Suite 2120 Los Angeles, CA 90071** 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

444 South Flower Street Los Angeles, CA 90071-2983

and more fully described in Section 1 and Exhibit C, 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

Fifteen (15) Years, Ten (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:

(SEE ATTACHED PAGE 1A FOR LESSORS SIGNATURE)

Name: _____

Title: _____

Entity Name: _____

FOR THE GOVERNMENT

[Redacted Signature]

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 8/30/13

[Redacted Signature]

LESSOR BY:

Name: Douglas H. Metzler

Title: Managing Director

[Handwritten Signature]

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.

Lessor's authorized signature to Lease No. GS-09B-02979;

"LESSOR":

HINES VAF II 444 SOUTH FLOWER, L.P.,
a Delaware limited partnership

By: Hines VAF II 444 South Flower GP LLC,
a Delaware limited liability company,
its general partner

By: Hines U.S. Office Value Added Fund II, L.P.,
a Delaware limited partnership,
its sole member

By: Hines U.S. Office Value Added Fund II LLC,
a Delaware limited liability company,
its general partner

By: Hines Interests Limited Partnership,
a Delaware limited partnership,
its managing member

By: Hines Holdings, Inc.



Date: 01/29/13

Handwritten initials and scribbles, including a circled 'D' and other illegible marks.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: 57,687 rentable square feet (RSF), yielding 48,968 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 9 floor(s) through 11 and known as Suite(s) 900, 1000, and 1100 of the Building, as depicted on the floor plan(s) attached hereto as Exhibit C.

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.1781 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.

1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)

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: 1 parking space, reserved for the exclusive use of the Government, of which 1 shall be structured/inside parking spaces, and 0 shall be surface/outside parking spaces shall be included as part of shell rent.

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

1.03 RENT AND OTHER CONSIDERATION (JUN 2012)

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

	FIRM TERM MONTHS 1-16	FIRM TERM MONTHS 17-60	FIRM TERM MONTHS 61-120	NON FIRM TERM MONTHS 121-180
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$0.00	\$1,158,354.96	\$1,419,707.38	\$1,863,866.97
TENANT IMPROVEMENTS RENT ²	\$0.00	\$363,218.86	\$363,218.86	\$0.00
OPERATING COSTS ³	\$0.00	\$448,804.86	\$448,804.86	\$448,804.86
BUILDING SPECIFIC SECURITY ⁴	\$0.00	\$22,676.86	\$22,676.86	\$0.00
PARKING ⁵	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$0.00	\$1,993,055.54	\$2,254,407.96	\$2,312,671.83

¹Shell rent (Firm Term Months 0-16) calculation: \$0.00 per RSF multiplied by 57,687 RSF
²Shell rent (Firm Term Months 17-60) calculation: \$20.08 per RSF multiplied by 57,687 RSF
³Shell rent (Firm Term Months 61-120) calculation: \$24.61 per RSF multiplied by 57,687 RSF
⁴The Tenant Improvement Allowance of \$2,494,753.00 is amortized at a rate of 8 percent per annum over 10 years.
⁵Operating Costs rent calculation: \$7.78 per RSF multiplied by 57,687 RSF
⁶Building Specific Security Costs of \$155,755.00 are amortized at a rate of 8 percent per annum over 10 years
⁷Parking costs described under sub-paragraph G below

In instances where the Lessor amortizes either the TI or Building Specific Security for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed \$1.47 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. 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.

D. 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.

E. 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 in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

F. 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.

1.04 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, 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 (SEP 2012)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
<u>AGENCY SPECIFIC/SPECIAL REQUIREMENTS</u>		
Test-fit Requirements Narrative	2	
Program of Requirements (dated 5/17/12)	16	A
Adjacency Diagram	2	
SEC Design Standard Manual (dated April 2013)	46	
Typical SEC Office furniture Layouts	6	
SECURITY REQUIREMENTS	3	B
FLOOR PLAN(S)	3	C
GSA FORM 3517B GENERAL CLAUSES	46	
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	
AMENDMENTS TO RLP NO.1CA2583-1	1	

1.06 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$50,9466 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 8 percent.

1.07 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. 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.

B. 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.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

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.

1.08 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)	\$4.71 PER ABOA SF
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	3%

1.09 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)

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 leased 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 \$1.47 per ABOA SF of Space vacated by the Government.

1.10 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$100.00 per hour per zone (per floor)
- No. of zones: 1 per floor
- \$300.00 per hour for the entire Space (for all three floors)

1.11 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. Information Technology Equipment Rooms (server rooms and tel-com closets) require 24-hour cooling and should be considered a part of the rental consideration. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$0.10 per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge. Such cost is included in the rental rate.

1.12 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.