

LEASE NO. GS-09P-LCA03205

**Succeeding/Superseding Lease
GSA FORM L202 (September 2014)**

This Lease is made and entered into between

Affaitati, LLC

(Lessor), whose principal place of business is 393 Athol Street, Suite 2, San Bernardino, CA 94201, 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

655 W. Rialto Avenue, San Bernardino, CA 92401

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 March 2, 2015, 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.

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.

[Redacted Signature]

Title: Managing Partner

Date: 03-12-2014

[Redacted Signature]

Title: Building Manager

Date: 03-12-2015

FOR THE GOVERNMENT:

[Redacted Signature]

Job _____
Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 3/13/15

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 (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

- A. **Office and Related Space:** 37,277 rentable square feet (RSF), yielding 34,984 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1st and 2nd floors of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. **Common Area Factor:** The Common Area Factor (CAF) is established as 6.554 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 (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:** 102 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 102 shall be surface/secured 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 CONSIDERATIONS (SEP 2013)

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

	Year 1	Year 2	Year 3	Year 4	Year 5
Shell Rent ¹	\$ 698,943.75	\$ 698,943.75	\$ 733,984.13	\$ 733,984.13	\$ 770,515.59
Tenant Improvements ²	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Costs ³	\$ 264,666.70	\$ 264,666.70	\$ 264,666.70	\$ 264,666.70	\$ 264,666.70
Total Annual Rent	\$ 963,610.45	\$ 963,610.45	\$ 998,650.83	\$ 998,650.83	\$ 1,035,182.29
	Year 6	Year 7	Year 8	Year 9	Year 10
Shell Rent ¹	\$ 770,515.59	\$ 809,283.67	\$ 809,283.67	\$ 835,004.80	\$ 835,004.80
Tenant Improvements ²	\$ -	\$ -	\$ -	\$ -	\$ -
Operating Costs ³	\$ 264,666.70	\$ 264,666.70	\$ 264,666.70	\$ 264,666.70	\$ 264,666.70
Total Annual Rent	\$ 1,035,182.29	\$ 1,073,950.37	\$ 1,073,950.37	\$ 1,099,671.50	\$ 1,099,671.50

¹Shell rent calculation:
 (Years 1-2) \$18.75 per RSF multiplied by 37,277 RSF
 (Years 3-4) \$19.89 per RSF multiplied by 37,277 RSF
 (Years 5-6) \$20.67 per RSF multiplied by 37,277 RSF
 (Years 7-8) \$21.71 per RSF multiplied by 37,277 RSF
 (Years 9-10) \$22.40 per RSF multiplied by 37,277 RSF

²The Tenant Improvement Allowance of \$1,749,612.82 will be amortized into the rent upon substantial completion and acceptance of the tenant improvements at a rate of 8 percent per annum over 5 years, or the remaining firm term.

³Operating Costs rent calculation: \$7.10 per RSF multiplied by 37,277 RSF

In instances where the Lessor amortizes either the TI or BSAC 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 costs, including 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 34,984 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. INTENTIONALLY DELETED.

E. 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.

F. 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), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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.

H. INTENTIONALLY DELETED.

1.04 INTENTIONALLY DELETED.

1.05 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.

1.06 INTENTIONALLY DELETED.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING PLAN(S)	1	B
SECURITY REQUIREMENTS	12	C
AGENCY SPECIAL REQUIREMENTS	136	D
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	F
SCOPE OF WORK FOR ALTERATIONS	8	G

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs 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 TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 INTENTIONALLY DELETED.

1.10 INTENTIONALLY DELETED.

1.11 INTENTIONALLY DELETED.

1.12 INTENTIONALLY DELETED.

1.13 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 \$7.10 per RSF (\$264,666.70/annum).

1.14 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 \$0.13 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$72.00 per hour per floor for the entire Space.

1.16 24-HOUR HVAC REQUIREMENT (SEP 2014)

- A. The five (5) LAN Computer Rooms of the Space shall receive cooling at all times (24 hrs a day, 365 days a year) for purposes of cooling the designated server room. The BTU output of this room is established as 24,000 BTU per hour. The temperature of this room shall be maintained at a range between 69-72 degrees F, with humidity control not to exceed 60% relative humidity, regardless of outside temperature or seasonal changes.
- B. The 24 hour cooling service shall be provided by the Lessor at a monthly rate of \$1,104.00 per LAN Computer Room of the area receiving the 24-hour cooling and is not to be included in the monthly operating costs. Also, the hourly overtime HVAC rate specified under the paragraph "Hourly Overtime HVAC Rates" shall not apply to any portion of the Premises that is required to have 24 hour cooling.
- C. The Lessor shall submit monthly invoices, in arrears, for this cost to the LCO or the LCO's designated representative at the address below:

GSA 312 North Spring Street Field Office
c/o Lease Administration Manager
312 N. Spring Street, Ste. 1020
Los Angeles, CA 90012
- D. 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.

1.17 INTENTIONALLY DELETED.

1.18 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)	NOT TO EXCEED \$75,000
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5%