

LEASE NO. GS-09P-LCA03381

Standard Lease
GSA FORM L201C (September 2014)

This Lease is made and entered into between

Kilroy Realty, L.P.
(Lessor), whose principal place of business is 12200 W. Olympic Boulevard, #200, Los Angeles, CA 90064-1041 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

4600 Bohannon (at Menlo Corporate Center)
4600 Bohannon Drive
Menlo Park, CA 94025-1037

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 April 1, 2016 and continuing for a period of

12 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.

This lease is a replacement for lease no. GS-09B-01345, which shall terminate upon commencement of the term of this lease.

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:

By: Signature:

Name:

Title:

By: Signature:

Name:

Title:

Date:

Kilroy Realty, L.P.
A Delaware Limited Partnership

John Fucci
EVP Asset Mgmt.

Bileen S. Kong
Vice President
Asset Management

3/30/2016

FOR THE GOVERNMENT:

Name:

Carl Brown

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date:

3/31/2016

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.

LEASE NO. GS-09P-LCA03381

LESSOR: DM GOVERNMENT: CB

GSA FORM L201C (09/14)

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

~~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.~~ (CB)

The Premises are described as follows:

A. **Office and Related Space:** 17,588 rentable square feet (RSF), yielding 15,187 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 2nd floor, 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 15.809574 percent. This factor, which represents the conversion from ABOA to rentable square feet 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:** 44 parking spaces as depicted on the plan attached hereto as Exhibit A-1, reserved for the exclusive use of the Government, of which 13 shall be reserved parking spaces, and 31 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 (SEP 2013)

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

	FIRM TERM 4/1/2016 – 3/31/2026	NON-FIRM TERM 4/1/2026 – 3/31/2028
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$1,206,713.82	\$1,441,336.60
TENANT IMPROVEMENTS RENT ²	\$ 53,875.10	\$0.00
OPERATING COSTS ³	\$ 198,957.19	\$ 198,957.19
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 17,142.37	\$0.00
TOTAL ANNUAL RENT	\$1,476,688.48	\$1,640,293.79

¹Shell rent calculation:

(Firm Term) \$68.610065 per RSF multiplied by 17,588 RSF

(Non Firm Term) \$81.95 per RSF multiplied by 17,588 RSF

²The Tenant Improvement Allowance of \$370,038.80 is amortized at a rate of 8.0 percent per annum over 10 years.

³Operating Costs rent calculation: \$11.312099 per RSF multiplied by 17,588 RSF

⁴Building Specific Amortized Capital (BSAC) of \$117,741.64 are amortized at a rate of 8.0 percent per annum over 10 years

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 15,187 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. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

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 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. DTZ Americas Inc. D/B/A CUSHMAN & WAKEFIELD (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 DTZ Americas Inc. D/B/A CUSHMAN & WAKEFIELD 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 first 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:

April 2016 Rental Payment \$123,057.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted April 2016 Rent.*

May 2016 Rental Payment \$123,057.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted May 2016 Rent.*

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

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 180 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)	1	A
PARKING PLAN(S)	1	A-1
AGENCY SPECIFIC/SPECIAL REQUIREMENTS	5	B
SECURITY REQUIREMENTS	8	C
SECURITY UNIT PRICE LIST	2	J
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	H

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$24,365,497** 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.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. 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.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government ~~may~~ ^{shall} 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; ^{OR}
3. Negotiate an increase in the rent.

1.10 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)	\$2.50
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	3%

1.11 INTENTIONALLY DELETED

1.12 INTENTIONALLY DELETED

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

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 38.0239974 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 17,588 RSF by the total Building space of 46,255 RSF. 4600 Bohannon Drive (Building No. 1550-06) is one of three buildings in an office complex, and is equal to 26.5371% (46,255 RSF divided by 174,303 RSF Phase III complex) of the Phase III office complex. Any space in the complex other than the Premises benefiting from a tax exemption will be included in the computation of the Real Estate Tax Base and the Current Year Taxes at full value (i.e. before application of the exemption). The three building office complex consists of two parcels: 055-271-020 (the three buildings) and 055-254-050 (a driveway serving the three buildings).

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$91,035.69 (38.0239974 percent multiplied by 4600 Bohannon Drive Taxes of \$239,416.41). 4600 Bohannon Drive (Building No. 1550-06) is equal to 26.5371% of the Phase III complex of 174,303 Rentable Square Feet. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.15 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 \$11.312099 per RSF (\$198,957.19/annum).

1.16 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 \$6.53 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$ 50.00 per hour for the entire Space.

1.18 24-HOUR HVAC REQUIREMENT (SEP 2014)

- A. 850 ABOA SF (393 ABOA for the communications room and 457 ABOA for the Server Room) 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 81,840 BTU. The temperature of this room shall be maintained at 70 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 an annual rate of \$0.00 per ABOA SF 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:
- Mr. Carl Brown
Lease Contracting Officer
U.S. General Services Administration (GSA)
Real Estate Acquisition Division
50 United Nations Plaza
2nd Floor West, Room 2255
San Francisco, CA 94102
- D. Intentionally deleted.

1.19 BUILDING IMPROVEMENTS (SEP 2012)

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

- A. Identified in TI Scope of Work

1.20 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.

Owner, Kilroy Realty, L.P. and the Government acknowledges that Kilroy Realty, L.P. is not a HUBZone small business concern; or if property is sold and the Lease is assigned to a new Owner who is a HUBZONE SBC, then paragraph 1.20 of the Lease applies.