

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1D16.601

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: February 4, 2011

LEASE NO. GS-09B-02712

THIS LEASE, made and entered into this date between LINCOLN PO FBOP, LIMITED PARTNERSHIP
whose address is: 601 California St, Suite 400
San Francisco, CA 94108-2809

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:
23,309 rentable square feet (rsf), yielding approximately 20,305 ANSI/BOMA Office Area square feet and related space located on the 3rd Floor, Suite 300, of the Waterfront Plaza, 1700 Montgomery Street, San Francisco, CA 94111-1024, together with 70 reserved and secured parking spaces as depicted on the attached floor plans marked as "Exhibit A" (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. INTENTIONALLY OMITTED
3. INTENTIONALLY OMITTED
4. The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year of this lease by giving at least 120 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. INTENTIONALLY OMITTED

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 9CA2850 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph 8.14 entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers. Antennae/roof availability will be provided subject to Lessor's prior written approval, which shall not be unreasonably withheld, conditioned or delayed. Government Telecommunications shall not interfere with existing tenant's antennae/roof rights, and shall be subject to all City and Port approvals. All cost for installation and maintenance shall be at the Tenant's expense.
7. The following are attached and made a part hereof: All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:
- a) The Solicitation For Offers Number 9CA2850(40 pages)
(all references to SFO shall also refer to any Special Requirements and Amendments);
 - b) Amendment Number 1 to SFO 9CA2850 (5 pages);
 - c) Amendment Number 2 to SFO 9CA2850 (3 pages);
 - d) GSA Form 3517 (2 pages);
 - e) GSA Form 3518 (7 pages);
 - f) Sheet no. 1-4 containing Paragraphs 9-24 (4 pages);
 - g) First generation Blue-Line Plan (Exhibit "A",1 page);
 - h) Site Plan (Exhibit "B",1 page);
 - i) [REDACTED] (Exhibit "C", 1 page)
8. The following changes were made in this lease prior to its execution:
 Paragraphs 2, 3 and 5 of this STANDARD FORM 2 were deleted in their entirety.
 Paragraphs 9 through 24 have been added.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: LINCOLN PD FBOP LIMITED PARTNERSHIP
 BY: BY: LINCOLN FBOP LLC
ITS: GENERAL PARTNER (Signature) _____ (Signature)
BY: LINCOLN NONMEMBER MANAGER, INC.
ITS: MANAGER
 IN PRESENCE OF: BY: [REDACTED]
ITS: VICEPRESIDENT (Signature) _____

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:
 BY: _____ (Signature) PETER SHTEYN,
 CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02712

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following ten (10) year term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
10. **RENT:** The Government shall pay the Lessor annual rent as follows:
- For months 1 through 2, annual rent is \$820,476.84 at the rate of \$68,373.07 per months in arrears.
 - For months 3 through 60, annual rent is \$1,062,153.20 at the rate of \$88,512.77 per month in arrears.
 - For months 61 through 120, annual rent is \$980,105.52 at the rate of \$81,675.46 per month in arrears.
 - Rent for a lesser period shall be prorated. Rent shall be payable to:
Lincoln PO FBOP, Limited Partnership
P.O. Box 840052
Dallas, TX 75284-0052
11. **NOTICE TO PROCEED:** The Lessor shall have 120 working days from the receipt of the Government's Notice to Proceed to complete the build-out of the entire space. All items specified in Lease Agreement and as delineated on the Government approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to SFO 9CA2850, Amendment No. 1, Paragraph 4.13, "Tax Adjustment," for purposes of tax escalation, the Government occupies 23,309/143,002 rentable square feet (16.30%). The Base Year for taxes shall be July 1, 2012 through June 30, 2013, provided that the move-in date is prior to July 1, 2012.
13. **OPERATING COST:** Pursuant to SFO Paragraph 4.2, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$9.69 per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to SFO Paragraph 4.3, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$3.18 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.2, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to SFO Paragraph 4.5, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. – 6:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$98.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 630 Sansome Street, Suite 1040, San Francisco, CA 94111-2393, to receive payment.
16. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$27.00 per ANSI/BOMA Office Area square feet per annum.
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by SFO Paragraph 3.2, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance of \$56.53 per ANSI/BOMA Office Area square foot shall be amortized over the five (5) year firm term of the Lease Agreement at an interest rate (amortization rate) of zero (0) % per year.

Notwithstanding anything to the contrary stated in SFO Paragraph 3.3.A.3 or elsewhere in the Lease, if the Tenant Improvement Allowance exceeds \$56.53 per ANSI/BOMA Office Area square foot, the Lessor

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shall not cease construction of the Tenant Improvements, and the Government shall have the option to amortize any Tenant Improvement Allowance overage up to \$10.00 per ANSI/BOMA Office Area square foot at an interest rate of nine percent (9%), or shall pay any Tenant Improvement Allowance overage (or balance thereof following amortization of up to \$10.00 per ANSI/BOMA Office Area square foot, as more particularly described above) in a lump sum upon the Government's acceptance of the Premises.

In connection with the build out of Tenant Improvements, the following markups, fees and design costs shall apply: General Conditions shall be 12%, General Contractor's fee shall be 5% and the Lessor's Project Management fee shall be 3% of the total subcontractors cost estimated to be \$1,147,841.65 plus any overage. In addition, Architectural/Engineering fees (including architectural, mechanical, electrical, plumbing and structural engineering services) shall be \$4.00 per ANSI/BOMA Office Area square foot plus 15% Reimbursable Allowance

18. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:

- A. Notwithstanding anything to the contrary contained in SFO Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements," or elsewhere in the Lease, within thirty (30) calendar days of execution of this lease, the Lessor and the Government shall agree to a construction schedule (the "Approved Construction Schedule"), which will set forth the milestones and time periods for design, construction and delivery of the Premises. The Approved Project Schedule, together with any mutually agreed upon acceleration of the occupancy date under SFO Paragraph 1.9, "Occupancy Date," or the Rent Commencement Date under SFO Paragraph 5.11.H, "Rent Commencement," shall be memorialized in a Supplemental Lease Agreement executed by both parties. The Approved Project Schedule shall supersede all other provisions of this lease, and if either the Government or the Lessor fails to discharge its responsibilities under this lease within the time allocated under the Approved Construction Schedule, such failure shall constitute "delay" unless it is Excusable Delay as defined in Form 3517B, General Clause No. 1.(f), "DEFINITIONS". Notwithstanding the foregoing, if the Lessor or the Government cannot agree to a construction schedule within thirty (30) calendar days of execution of this lease, then the milestones and time periods set forth in SFO Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements," shall apply.
- B. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.11 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
- C. The price proposal required to be provided by Lessor in SFO Paragraph 5.11 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.3, B (1) through (10), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
- D. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
- E. All references to "working days" in Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
- F. In addition to the submission requirements specified under Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 5 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

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19. ACCEPTANCE OF SPACE:

- A. The following is added to SFO Paragraph 5.11 G(1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

20. OCCUPANCY REPORTS:

- A. Building Systems: As part of its obligations under SFO Paragraph 8.2 "Building Systems", the Lessor shall furnish at no cost to the Government, the required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements", the Lessor shall furnish at no cost to the Government, the required acoustical report prior to the Government's occupancy of the Premises.

21. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this Lease Agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the Lease Agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

22. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

23. Pursuant to SFO Paragraph 5.2, "Unit Costs for Adjustments", the following negotiated amounts may be used, during the first year of the lease, to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

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