

LEASE NO. GS-09P-LCA00207Global Lease
GSA FORM L106 (10/2017)

INSTRUCTIONS TO OFFEROR: Do not attempt to complete this lease form (GSA Lease Form L106, hereinafter Lease Form). Upon selection for award, GSA will transcribe the successful Offeror's final offered rent and other price data included on Offeror's submitted GSA Lease Proposal Form 1364, (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

PAUL H. LILJESTRAND PARTNERS LIMITED PARTNERSHIP, A HAWAII LIMITED PARTNERSHIP

(Lessor), whose principal place of business is 3308 TANTALUS DRIVE, HONOLULU, HI 96822, 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

848 ARNELE AVE., EL CAJON, CA 92029

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 as required by this Lease and continuing for a period of [REDACTED] Firm, beginning [REDACTED] and ending on [REDACTED] subject to termination and renewal rights as may be hereinafter set forth.

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: Robert H. Liljestrand
Title: General Partner
Entity Name: Paul H. Liljestrand Partners
Date: 3/16/2018

FOR THE GOVERNMENT:

Name: Larry Becker
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 4/2/18

WITNESSED FOR THE LESSOR BY: /

Name: VICTORIA DURAND
Title: Mgt. Assistant
Date: 3/16/18

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.

LEASE NO. GS-09P-LCA00207

LESSOR LB GOVERNMENT: LB

GSA FORM L106 (10/17)

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: 14,730 rentable square feet (RSF), yielding 14,730 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the FIRST 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), defined under Section 2 of the Lease, is established as 100%. This factor, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

C. INTENTIONALLY DELETED

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: 02 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which none shall be structured/inside parking spaces, and 02 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.

1.03 RENT AND OTHER CONSIDERATION (OCT 2017)

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

	FIRM TERM ANNUAL RENT	FIRM TERM ANNUAL RENT	NON FIRM TERM ANNUAL RENT
SHELL RENT ¹	\$380,034.00	\$446,613.60	\$546,630.30
OPERATING COSTS ²	\$115,789.29	\$115,789.29	\$115,789.29
TENANT IMPROVEMENTS RENT ³	\$0.00	\$0.00	\$0.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00	\$0.00
PARKING ⁵	\$0.00	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$495,823.29	\$562,402.89	\$662,419.59

¹Shell rent calculation:

(Firm Term 3/1/18- 2/28/23) \$25.80 per RSF x 14730 RSF

(Firm Term 3/1/23- 2/28/28) \$30.32 per RSF x 14730 RSF

(Non Firm Term) \$37.11 per RSF x 14730 RSF

²Operating Costs calculation: \$7.86078 per RSF x 14730 RSF

³Tenant Improvements: \$270,442.80 amortized at 5.50% per annum over the remaining firm term, when complete per section 1.03-F

⁴BSAC: none in RLP

⁵Parking costs: included in the shell rent

E. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 14,730 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

F. 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.

G. INTENTIONALLY DELETED

H. 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.

I. 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.

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 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.

1.04 ~~BROKER-COMMISSION-AND-COMMISSION-CREDIT (OCT-2016)~~ INTENTIONALLY DELETED

1.05 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 90 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 ~~RENEWAL RIGHTS (OCT-2016)~~ INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (OCT 2017)

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
AGENCY REQUIREMENTS	26	C
SECURITY REQUIREMENTS	7	D
SECURITY UNIT PRICE LIST	2	E
GSA FORM 3517B GENERAL CLAUSES	15	F
SEISMIC FORM C, BUILDING RETROFIT	1	G
REVISION(S) TO LEASE ISSUED UNDER RLP AMENDMENT NUMBER(S): 1	1	H

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (OCT 2016)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$18.36 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 ~~TIA~~ Firm Term of this Lease at an annual interest rate of 5.50%.

Int. 4.6 Date 3/16/2018 UB

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.

1.09 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)	7.0%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	8.5%

1.10 ~~BUILDING-SPECIFIC-AMORTIZED-CAPITAL-(SEP-2012)~~ INTENTIONALLY DELETED

1.11 ~~BUILDING-SPECIFIC-AMORTIZED-CAPITAL-RENTAL-ADJUSTMENT-(SEP-2013)~~ INTENTIONALLY DELETED

1.12 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (OCT 2016)

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 14.55 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 14,730 RSF by the total Building space of 101,230 RSF. The tax parcel number is 482-240-47-00

1.13 ~~REAL-ESTATE-TAX-BASE-(SEP-2013)~~ - INTENTIONALLY DELETED

1.14 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 \$7.86078 per RSF.

1.15 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 \$1.35 per ABOA SF of Space vacated by the Government

1.16 HOURLY OVERTIME HVAC RATES (OCT 2016)

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

- No. of zones: 5 zones X \$15 per zone

1.17 ~~24-HOUR-HVAC-REQUIREMENT-(OCT-2016)~~ INTENTIONALLY DELETED

1.18 BUILDING IMPROVEMENTS (MAR 2016)

A. The Lessor has committed, on Seismic Form C (Exhibit G to this lease), to do a seismic retrofit and to meet the seismic requirements in this lease.

B. Lessor has committed to install the following energy efficient upgrades:

- 1) Add a split HVAC system to the LAN room.
- 2) Replace inefficient HVAC units. Int. RL ^{UB} Date 3/16/2018

C. Except for tenant requested changes or additions that shall be charged to the tenant improvement allowance, all space requirements have been completed and accepted and no shell work needed: required except items in 1.18 A and 1.18 B above. Int. RL ^{UB}

1.19 ~~HUBZONE-SMALL-BUSINESS-CONCERNS-ADDITIONAL-PERFORMANCE-REQUIREMENTS-(MAR-2012)~~ INTENTIONALLY DELETED Date 3/16/2018

1.20 LESSOR'S DUNS NUMBER (OCT 2017)

Lessor's Dun & Bradstreet DUNS Number: 131937781