

This Lease is made and entered into between

Majestic Otay Commerce Center, LLC a Delaware limited liability company (Lessor), whose principal place of business is 13191 Crossroads Parkway N. Ste 600 City of Industry, CA 91746-3424, 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 9020 Alrway Drive, San Diego CA, 92154

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 [REDACTED] through [REDACTED]
[REDACTED] Years Firm,

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:

[REDACTED]
Name: EDWARD P. ROSKI, JR.
President and Chairman of the Board
Title: _____
Entity Name: Majestic Otay Commerce Center, LLC
a Delaware limited liability company
Date: _____

FOR THE GOVERNMENT:

[REDACTED]
Name: Lawrence C. Becker
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 9/13/17

WITNESSED FOR THE LESSOR BY:

[REDACTED]
Name: Brent A. Tremblay
Title: Sr. Vice President
Date: 9/13/17

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.

1.03 RENT AND OTHER CONSIDERATION (OCT 2016)

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

PERIOD	TOTAL ANNUAL RENT
	\$728,843.39
	\$1,244,668.19
	\$1,274,668.19
	\$1,305,418.19
	\$1,336,936.94
	\$1,369,243.66
	\$1,402,358.05
	\$1,436,300.29
	\$1,471,091.09
	\$1,506,751.67
	\$1,543,303.75

*Total rent is calculated as a turnkey deal and operational costs will not be charged to the Government.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 4,000 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment upon reconciliation from quantities in the Lease to the approved DIDs and post-DID change orders, based on unit prices negotiated and agreed upon prior to Lease award.

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 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.

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 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.

G. Parking shall be provided at a rate of \$0.00 per parking space per month (structured/inside), and \$0.00 per parking space per month (surface/outside).

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS

Subject to and notwithstanding any other provisions of the Lease including, but not limited to, the General Clauses attached hereto and made a part hereof, Clause No. 8 - 552.270-28 Mutuality of Obligations and Clause No. 10 Default by the Lessor, the Lessor and the Government agree that:

A. In the event that the City of San Diego takes any final and enforceable official action that would (i) not allow the continued use and occupancy of the Premises by the Government as a vehicle storage and auction facility during the term of the Lease; or, (ii) fails to approve the Lessor's application request to amend Site Development Permit No. 328852 that requests the delay of the construction of public right-of-way improvements that include new curb, gutter, sidewalk, street paving, and truncated domes along Airway Road and Piper Ranch Road as described in the Permit No. 328852; or, (iii) fails to allow for the delay of the construction of similarly described public right-of-way improvements during the use and occupancy of the Premises by the Government as a vehicle storage and auction facility during the term of the Lease in connection with the City's action on other site development permit applications by the Lessor pertaining to the Premise; then the Lessor shall have a right to terminate this Lease by giving the Government at least eighteen (18) months advance written notice (the "Termination Notice") of their intent to terminate the Lease.

B. In the event of such termination, this Lease shall terminate and be of no further force or effect as of the Termination Date, defined as eighteen (18) months after the date of the Termination Notice or such other date set forth in the Termination Notice, whichever is later, and Lessor and Government shall be relieved of their respective obligations under this Lease. On or before the Termination Date, Government shall vacate the Property, and surrender and deliver exclusive possession thereof to Lessor.

C. Notwithstanding the foregoing, if none of the conditions (i) through (iii) above have occurred and this right of termination of the Lease is not exercised by the Lessor as set forth above within two years of the effective date of this Lease, then this right of termination by the Lessor shall expire and become null and void and of no further force and effect. Nothing in this Paragraph 1.05 shall be deemed, interpreted or construed to change, amend, abrogate or waive the terms and conditions of Paragraph 14 of the Lease and the Lessor's responsibilities set forth therein during the term of the Lease or any of the Government's rights to enforce the Lease as set forth herein and reserved by the Government.

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (OCT 2016)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
SITE PLAN (S)	1	A
PARKING PLAN(S)	1	B
PROPERTY IMPROVEMENTS & AGENCY REQUIREMENTS	6	C
GSA FORM 3517B GENERAL CLAUSES	15	D
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	E
FACILITY SECURITY REQUIREMENTS LEVEL I	4	F

1.08 INTENTIONALLY DELETED

1.09 INTENTIONALLY DELETED

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1.16 HOURLY OVERTIME HVAC RATES (OCT2016)

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

- \$0.00 per hour per zone
- No. of zones : N/A

- \$0.00 per hour for the entire Space.

1.17 24-HOUR HVAC REQUIREMENT (OCT 2016)

- A. 4,000 ABOA SF 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 temperature of this room shall be maintained at ASHRAE standards, 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.

1.18 BUILDING IMPROVEMENTS (MAR 2016)

At the Lessor's sole cost the Lessor shall complete the following additional Building improvements upon execution of the lease:

- A. Office: new paint, carpet, and replacement of ceiling tiles as necessary.

Paint Standards: The Lessor shall provide interior paints and coatings that meet or are equivalent to the following standards for VOC off gassing:

1. Topcoat paints: Green Seal Standard GS-11, Paints, First Edition, May 20, 1993.
2. All other architectural coatings, primers, and undercoats: South Coast Air Quality Management District (SCAQMD) Rule 1113, Architectural Coatings, effective January 1, 2004.
3. Architectural paints, coatings, and primers applied to interior walls and ceilings:
 - a. Flats: 50 grams per liter (g/L).
 - b. Non-flats: 150 g/L.
4. Anti-corrosive and anti-rust paints applied to interior ferrous metal substrates: 250 g/L.
5. Clear wood finishes:
 - a. Varnish: 350 g/L.
 - b. Lacquer: 550 g/L.
6. Floor coatings: 100 g/L.
7. Sealers:
 - a. Waterproofing sealers: 250 g/L.
 - b. Sanding sealers: 275 g/L.
 - c. All other sealers: 200 g/L.
8. Shellacs:
 - a. Clear: 730 g/L.
 - b. Pigmented: 550 g/L.
9. Stains: 250 g/L.

Prior to acceptance, all surfaces within the Space which are designated by GSA for painting shall be newly finished in colors acceptable to the Government.

Use reprocessed latex paint in accordance with EPA's CPG (Comprehensive Procurement Guidelines) on all painted surfaces where feasible. The type of paint shall be acceptable to the Government.

Broadloom carpet or carpet tiles shall meet the requirements set forth in the specifications below. Floor perimeters at partitions shall have wood, rubber, vinyl, or carpet base. Floor covering shall be installed in accordance with manufacturing instructions to lay smoothly and evenly.

The use of existing carpet may be approved by the Government; however, existing carpet shall be repaired, stretched, and cleaned before occupancy and shall meet the static buildup requirement as stated in the specifications below.

Any alternate flooring shall be pre-approved by the Government.

SPECIFICATIONS FOR CARPET TO BE NEWLY INSTALLED OR REPLACED

Product sustainability and environmental requirements. In order to achieve superior performance in multiple environmental attribute areas, carpet must have third party certification in accordance with ANSI/NSF 140 2007e Sustainable Carpet Assessment Standard at a "Gold" level minimum. Carpet manufacturer must supply certificate as part of the procurement documentation.

Recycled content: Recycled content is measured by total product weight of pre-consumer and/or post-consumer materials. Recycled content must be at least 10% post-consumer recovered content.

Low emitting materials. The carpet and floor adhesive (for glue-down installations) must meet the Green Label Plus (GLP) and floor adhesive (for direct glue down) requirements of the Carpet and Rug Institute (CRI). GLP number must be provided. Adhesives must meet VOC content standards per South Coast Air Quality Management District Rule #1168.

Face fiber content. Face yarn must be 100 percent nylon fiber. Loop Pile shall be 100 percent Bulk Continuous Filament (BCF); cut and loop shall be 100 percent BCF for the loop portion and may be BCF or staple for the cut portion; cut pile carpet shall be staple or BCF.

Performance requirements for broadloom and modular tile:

- a. Static: Less than or equal to 3.5 kV when tested by AATCC Test Method 134 (Step Test Option).
- b. Flammability: Meets CPSC-FF-1-70, DOC-FF-1-70 Methenamine Tablet Test criteria.
- c. Flooring Radiant Panel Test: Meets NFPA 253 Class I or II depending upon occupancy and fire code when tested under ASTM E-648 for glue down installation.
- d. Smoke Density: NBS Smoke Chamber - Less than 450 Flaming Mode when tested under ASTM E-662.

NOTE: Testing must be performed in a NVLAP accredited laboratory.

Texture Appearance Retention Rating (TARR). Carpet must meet TARR ratings specified below:

Space Definition	Traffic Classification	TARR Classification
Private Offices	Moderate	≥ 3.0 TARR
Training, conference, courtrooms, etc.	Heavy	≥ 3.0 TARR
Open Office, cafeteria, corridors, lobbies	Severe	≥ 3.5 TARR

The carpet must be evaluated using ASTM D-5252 Hexapod Drum Test as per the commercial carpet test procedure and the TARR classification determined using ASTM D-7330.

Carpet reclamation. Reclamation of existing carpet to be determined with potential vendor. When carpet is replaced, submit certification documentation from the reclamation facility to the LCO.

Warranty. Submit a copy of the manufacturer's standard warranty to the LCO within the first 60 days of Government occupancy. The Government is to be a beneficiary of the terms of this warranty.

B. Office: Secure window area in LAN room

Specifications per Exhibit C. If the Government chooses to install a wall covering, the minimum standard is vinyl-free, chlorine-free, plasticizer-free wall covering with recycled content or bio-based commercial wall covering weighing not less than 13 ounces per square yard or equivalent. If the Government chooses to install a high-performance paint coating, it shall comply with the VOC limits of the Green Seal Standard GS-11.

C. Office: Install new IT drops / outlets / phone jacks in new locations throughout office as required by the Government.

1. All electrical outlets shall be installed in accordance with NFPA Standard 70.
2. All outlets within the Space shall be marked and coded for ease of wire tracing; outlets shall be circuited separately from lighting. All floor outlets shall be flush with the plane of the finished floor. Outlet cover colors shall be coordinated with partition finish selections.
3. The Lessor shall in all cases safely conceal outlets and associated wiring (for electricity, voice, and data) to the workstation(s) in partitions, ceiling plenums, in recessed floor ducts, under raised flooring, or by use of a method acceptable to the Government.
4. Telecommunications floor or wall outlets shall be provided as part of the TIs. At a minimum, each outlet shall house one 4-pair wire jack for voice and one 4-pair wire jack for data. The Lessor shall ensure that all outlets and associated wiring, copper, coaxial cable, optical fiber, or other transmission medium used to transmit telecommunications (voice, data, video, Internet, or other emerging technologies) service to the workstation shall be safely concealed under raised floors, in floor ducts, walls, columns, or molding. All outlets/junction boxes shall be provided with rings and pull strings to facilitate the installation of cable. Some transmission medium may require special conduit, inner duct, or shielding as specified by the Government.
5. The Lessor shall safely conceal data outlets and the associated wiring used to transmit data to workstations in floor ducts, walls, columns, or below access flooring. The Lessor shall provide as part of the TI, outlets with rings and pull strings to facilitate the installation of the data cable. When cable consists of multiple runs, the Lessor shall provide ladder type or other acceptable cable trays to prevent Government-provided cable coming into contact with suspended ceilings or sprinkler piping. Cable trays shall form a loop around the perimeter of the Space such that they are within a 30-foot horizontal distance of any single drop.

D. GOCO Shade Structure

Lessor will provide a GOCO shade structure. Scope of Work found in Exhibit C.

E. Repair or Replace Gate

Repair or replace west side gate and adjust the gate to minimize the opening between the asphalt and the gate for security purposes.

F. Fencing

Lessor will repair all fencing post anchors as necessary and will install or replace fence privacy screens where instructed by LCO.

G. Landscaping

Lessor will cut back or remove the mature trees that are currently located adjacent to the security fence along the northern and eastern sides of the property.

A. Landscape management practices shall prevent pollution by:

1. Employing practices which avoid or minimize the need for fertilizers and pesticides;
2. Prohibiting the use of the 2,4-Dichlorophenoxyacetic Acid (2,4-D) herbicide and organophosphates; and
3. Composting/recycling all yard waste.

B. The Lessor shall use landscaping products with recycled content as required by EPA's CPG for landscaping products. Refer to EPA's CPG web site, [HTTPS://WWW.EPA.GOV/SMM/COMPREHENSIVE-PROCUREMENT-GUIDELINE-CPG-PROGRAM](https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program)

C. If the Lessor satisfies performance of this Lease by new construction, and where conditions permit, the site shall be landscaped for low maintenance and water conservation with plants that are either native or well-adapted to local growing conditions.

H. Paving

Lessor will provide paving for portable x-ray area, training area and dismantling area. See Commerce Construction Co bid in Exhibit C.

1.19 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.