

# LEASE NO. GS-09P-02832

Standard Lease  
GSA FORM L201C (October 2012)

This Lease is made and entered into between

## ONE TEN INVESTORS, LLC

(Lessor), whose principal place of business is 1900 Avenue of the Stars, Suite 340, Los Angeles, CA 90067-4316, 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

110 West A Street, San Diego, CA 92101-3700

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 upon acceptance of the Premises as required by this Lease and continuing for a period of

15 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.

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: Gregory P. Forester

Title: President

Entity Name: One Ten Investors, LLC

Date: 4/11/14

FOR THE GOVERNMENT:

Name: \_\_\_\_\_

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: APR 11 2014

WITNESSED FOR THE LESSOR BY:

Title: Director Commercial Property

Date: 4/11/14

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 (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: 52,839 rentable square feet (RSF), yielding 44,778 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> floor(s) and known as Suite(s) 275, 300, 400 and 500, 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 eighteen percent (18%), which is the maximum CAF permissible under the Lease. 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 (JUN 2012)

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: 11 parking spaces (structured) as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government. 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. Additionally, the Government requires a minimum of 280 parking spaces to be commercially available within ¼ mile walking distance from the leased property.

Notwithstanding anything to the contrary contained in Section 1.02 of GSA Form L201C or elsewhere in the Lease; (i) the Government acknowledges and agrees that the Government may not post signage on the building's exterior; and (ii) the Government may not post signage within the Appurtenant Areas without the Lessor's prior written consent, which consent may not be unreasonably withheld, conditioned, or delayed. The Lessor shall have the right to direct the location of any Government signage in the Appurtenant Areas to which the Lessor has consented.

### 1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

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

	LEASE YEARS 1-5	LEASE YEARS 6-10	LEASE YEARS 11-15
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1,6</sup>	\$1,302,453.38	\$1,634,591.38	\$2,017,606.00
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$ 293,566.40	\$ 293,566.40	\$0.00
OPERATING COSTS <sup>3,7</sup>	\$ 324,431.00	\$ 324,431.00	\$ 324,431.00
BUILDING SPECIFIC AMORTIZED CAPITAL <sup>4</sup>	\$ 162,984.22	\$ 162,984.22	\$0.00
PARKING <sup>5</sup>	\$ 31,536.00	\$ 36,559.00	\$ 42,382.00
<b>TOTAL ANNUAL RENT</b>	<b>\$2,114,971.00</b>	<b>\$2,452,132.00</b>	<b>\$2,384,419.00</b>

<sup>1</sup>Shell rent (Firm Term) calculation: \$24.649471/RSF for years 1-5; \$30.935320/RSF for years 6-10; \$38.184031/RSF for years 11-15

<sup>2</sup>The Tenant Improvement Allowance of \$2,016,347.96 is amortized at a rate of 8.0 percent per annum over 10 years.

<sup>3</sup>Operating Costs rent calculation: \$6.139991 per RSF multiplied by 52,839 RSF, and subject to adjustment in accordance with the lease.

<sup>4</sup>Building Specific Amortized Capital (BSAC) of \$1,119,450.00 are amortized at a rate of 8.0 percent per annum over 10 years

<sup>5</sup>Parking costs for eleven (11) GOV vehicles described under sub-paragraph G below

<sup>6</sup>Includes Lessor's Concession of \$25/ABOA-SF toward improvements, further described in Paragraph 1.08 of the lease.

<sup>7</sup>Includes \$42,000 per year estimated cost for the maintenance of Tenant's suite security system, further described in Paragraph 7.04 of the lease.

In instances where the Lessor amortizes either the TI or Building Specific Amortized Capital 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 44,778 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, in accordance with paragraphs 1.08 and 1.09 of the lease, 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, in accordance with paragraphs 1.11 and 1.12 of the lease, 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). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

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.
4. Reserved, Structured, on-site parking for eleven (11) official government (GOV) vehicles. The cost for these 11 parking spaces is shown in the table above. The Government may terminate its use of the reserved parking spaces, in whole or in part, at any time during the Term of this Lease, by providing not less than 30 days' prior written notice to the Lessor. The effective date of the parking 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 parking rental associated with terminated parking space(s) shall accrue after the effective date of parking termination. Parking rental shall be reduced by \$2,866.91 per stall per year during years 1-5, \$3,323.55 per stall per year during years 6-10, and \$3,852.91 during years 11-15.
5. The Government, or its authorized employees, have the right to rent additional on-site parking spaces on a monthly basis at the prevailing market rate established by Lessor or its Parking Management Contractor. Such month-to-month agreements are separate from this Lease agreement and payment for additional parking is not included in this Lease Agreement. The total number of parking spaces that Lessor is obligated to make available to the Government, which includes the parking spaces identified in subparagraph (4) above, is based upon Tenant's pro rata share of the building's on-site parking, which is 1.5 parking spaces per every 1,000 rentable square feet. Based upon an occupancy of 52,839 rentable square feet, the total allocation associated with this Lease is 79 spaces.
6. In response to RLP Amendment #4, Lessor provided an estimated cost of [REDACTED] per year for the Maintenance of [REDACTED], which has been incorporated as paragraph 7.04 of this Lease. This estimated has been included as part of the Itemized cost on Line 26 of Form 1217, Lessor's Annual Cost Statement. In accordance with RLP Amendment #4, pricing shall be modified prior to Occupancy to reflect the cost associated with the final scope of work approved by the Government.

#### 1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. Carpenter/Robbins Commercial Real Estate, Inc. (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 Carpenter/Robbins Commercial Real Estate, Inc. 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:

Month 1 Rental Payment \$176,247.58 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.\*

Month 2 Rental Payment \$176,247.58 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> Month's Rent.\*

Month 3 Rental Payment \$176,247.58 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3<sup>rd</sup> Month's 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 calendar 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.



In the event the Government exercises its right to return/terminate its rights with respect to a portion of its space (in accordance with the termination rights established herein under this lease or any future amendment), the Government agrees that said space shall be a marketable block of space. It must be demised such that it can be assigned to another tenant and must be accessible from an exterior common corridor with proper ingress/egress and exiting in accordance with local building codes. Because defining a marketable block of space involves consideration of many factors and the unique aspects of each situation, no party (Lessor or Government) shall be unreasonable in determining the parameters for the "marketable" block of space to be returned by the Government. The Government shall be responsible for paying the cost associated with demising the space given back to the Lessor and the costs associated with providing access to that demised space. In the event that the Government elects to give back an entire floor, the Government shall not be responsible for any costs necessary to make the space marketable. All other terms and conditions of the lease shall apply.

**1.06 RENEWAL RIGHTS (AUG 2011) THIS PARAGRAPH INTENTIONALLY DELETED.**

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)**

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S) FOR FLOORS 2, 3, 4 AND 5	4	A
PARKING PLAN(S)		B
SECURITY REQUIREMENTS -- FACILITY SECURITY LEVEL III	11	C
██████████ SAN DIEGO DISTRICT OFFICE AND FIELD OFFICE SPECIAL REQUIREMENTS, DATED MARCH 2013	47	D
██████████ STRUCTURED CABLE PLANT STANDARD, DATED MARCH 2011	65	E
██████████ Facility Security Construction Standards, Dated June 2011	30	F
██████████ San Diego District Office, Security System Scope of Work (SOW), Dated May 16, 2013	15	G
GSA FORM 3517B GENERAL CLAUSES	46	H
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	I
SMALL BUSINESS SUBCONTRACTING PLAN	12	J
RLP EXHIBIT "S", GSA CLASS DEVIATION	1	K

**1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)**

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$45,029,880 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 8.0 percent.

In addition to the TIA identified above, and as part of the Shell Rent, Lessor includes a concession of \$25/ABOA-SF (\$1,119,450.00) toward the reconditioning of space on the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup> and 5<sup>th</sup> floors of the building. The exact scope of that Shell work shall be fully developed in conjunction with preparation of the Tenant Improvements package. If the cost of Building Shell renovations is less than (\$25/ABOA-SF), the balance shall be provided to the Government as a credit against the cost of Government-approved Tenant Improvements. If the Building Shell renovations equal or exceed \$25/ABOA-SF, no credit to the Tenant Improvement work shall be provided; in that event, the Lessor shall remain responsible for any additional costs associated with providing those building shell alterations at no supplementary cost to the Government.

**1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)**

A. 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.

B. 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.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

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. In the event the Government elects to increase the TIA, the additional monies shall also be amortized at the same rate specified in paragraph 1.08 of the lease.

#### 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)	ACTUAL COSTS NOT TO EXCEED \$3.75/ABOA-SF
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	4.0%
LESSOR'S GENERAL CONTRACTOR'S FEE FOR GENERAL CONDITIONS (% OF TI CONSTRUCTION COSTS)	NOT TO EXCEED 6.5%
LESSOR'S GENERAL CONTRACTOR'S FEE (% OF TI CONSTRUCTION COSTS)	NOT TO EXCEED 3.5%

#### 1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$25.00** per ABOA SF (\$1,119,450.00). The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of **8.0** percent.

#### 1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government shall have the right to either:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent. In the event the Government elects to increase the BSAC, the additional monies shall also be amortized at the same rate specified in paragraph 1.11 of the lease.

#### 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 **16.21** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **52,839** RSF by the total Building space of **325,977** RSF.

#### 1.14 REAL ESTATE TAX BASE (JUN 2012)

Refer to Paragraph 2.07 of the Lease.

#### 1.15 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$6.139991** per RSF (**\$324,431.00/annum**). This base rate includes Lessor's estimated cost for Maintenance of Tenant Suite Security Systems, which will be adjusted as further described in Paragraph 7.04 of the lease.

#### 1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government vacates an entire floor prior to the expiration of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$2.00** per year per ABOA SF of space vacated by the Government. If the Government vacates part of a floor, the operating costs shall be reduced by only **\$1.00** per year per ABOA SF of space vacated.

#### 1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

**\$120.00 /hour per floor.**

If the Government submits its request for its Overtime HVAC at least 24-hours prior to the requested service time, then a two-hour minimum shall apply. If the Government submits its request for its Overtime HVAC less than 24-hours prior to the requested service time, then a four-hour minimum charge shall apply.

The two or four-hour minimum shall apply to either a single date/time request for service (for example, an additional 2 hours on a Wednesday from 5pm-7pm) or to a "batched" request (for example, an additional 1 hour each Wednesday for the next 4 weeks from 5pm-6pm).

**1.18 24-HOUR HVAC REQUIREMENT (APR 2011)**

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor and such rooms shall be separately metered and actual costs reimbursed by the Government.

**1.19 BUILDING IMPROVEMENTS (SEP 2012)**

This paragraph is intentionally deleted.

**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.

**1.21 NOTICES TO LESSOR**

Address of Lessor for Notices:

**ONE TEN INVESTORS, LLC**  
1900 Avenue of the Stars, Suite 340  
Los Angeles, CA 90067-4316  
**Attn: Greg Forester**

With courtesy copy to:

**ONE TEN INVESTORS, LLC**  
110 West A Street, Suite 105  
San Diego, CA 92101-3711  
**Attn: Property Manager**