

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1 TO LEASE NO. GS-09P-LCA02832
ADDRESS OF PREMISES 110 West A Street, Suite 300 San Diego, CA 92101-3700	

THIS AGREEMENT, made and entered into this date by and between **ONE TEN INVESTORS, LLC**, whose address is: 1900 AVENUE OF THE STARS, SUITE 340, LOS ANGELES, CA 90067-4316 hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to revise the Premises description, adjust the rental rate and the percentage of occupancy in accordance with the alternate proposal election, revise Exhibit A, revise the areas within the Premises subject to cyclical painting, memorialize the Government's acceptance of the Lessor's alternate proposal, revise the schedule for Design, memorialize cost-sharing for the dedicated elevators and ground floor restrooms, revise General Clause No.15, address potential conflicts between the Lease and approved Architectural Drawings contained within the Construction Drawings, memorialize the future address of the Premises, to issue Notice to Proceed Construction, establish the Tenant Improvement Cost Overage, and provide for Lump Sum Payment of the Tenant Improvement Cost Overage.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon Government execution, as follows:

[1] Paragraph 1.01A of the Lease is hereby deleted in its entirety and replaced with the following:

"A. Office and Related Space: **55,926** rentable square feet (RSF), yielding **44,778** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space located on the 1st floor (Suite 199) and the entirety of the 3rd (Suite 300), 4th (Suite 400) and 5th (Suite 500) floors of the Building, as depicted on the floor plan(s) attached hereto as **Exhibit A**."

[2] Footnote numbers 1 and 3 to the Rent Table in Paragraph 1.03 of the Lease are hereby modified to reflect the changes to Paragraph 1.01A.

¹Shell rent calculation: **\$23.288871/RSF** for years 1-5; **\$29.227754/RSF** for years 6-10; **\$36.067351/RSF** for years 11-15.

³Operating Costs rent calculation: **\$5.801076422 per RSF** multiplied by 55,926 RSF, and subject to adjustment in accordance with the lease."

This Lease Amendment contains 4 pages, plus Exhibit A (5 pages).

All other terms and conditions of the lease shall remain in force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR Signature: _____ Name: _____ Title: <u>President</u> Entity Name: <u>One Ten Investors, LLC</u> Date: <u>6/10/15</u>	FOR THE GOV Signature: _____ Name: <u>Dan</u> Title: <u>Lease Contracting Officer</u> <u>GSA, Public Buildings Service</u> Date: <u>6/10/15</u>
---	---

WITNESSED FOR THE LESSOR BY:

 Signature: _____
 Name: _____
 Title: PROJECT MANAGEMENT OFFICER
 Date: 6/10/15

[3] Paragraph 1.13 of the Lease is hereby deleted in its entirety and replaced with the following:

"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 **17.16** percent. The Percentage of Occupancy is derived by dividing the total Government Space of 55,926 RSF by the total Building space of 325,977 RSF."

[4] Lease Exhibit "A" to Lease Number GS-09B-02832 is deleted in its entirety and replaced with the Exhibit "A" attached to this Lease Amendment Number 1.

[5] Paragraph 1.08 of the Lease is hereby deleted in its entirety and replaced with the following:

"1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant improvement Allowance (TIA) for purposes of this Lease is **\$2,016,347.96** (\$45.029880 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 1st, 3rd, 4th and 5th 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.

[6] Paragraph 7.02 of the Lease is hereby deleted in its entirety and replaced with the following:

"7.02 CYCLICAL PAINTING OF PUBLIC AREAS WITHIN PREMISES

Lessor shall repaint the following areas within the Premises every three (3) years at Lessor's sole cost including moving, storing, and re-installing costs.

- Reception
- Waiting Room
- Security Lobby
- Ceremony Room
- Public Restrooms

The above rooms will be painted outside the hours of 7am-5pm, Monday through Friday, and within sixty (60) days of the end of the 3rd, 6th, 9th and 12th years of occupancy. The Government shall be responsible for removing and returning its furniture, and equipment or items affixed to the walls to allow painting work to be completed.

[7] Paragraphs 7.09, 7.10, 7.11, 7.12, 7.13, 7.14, 7.15, 7.16, and 7.17 are hereby added to the Lease as follows:

"7.09 GOVERNMENT'S ELECTION OF ALTERNATE PROPOSAL

The Government accepts the Lessor's proposal to substitute space located on the 1st floor in lieu of the 2nd floor, as described in Paragraph 1.01A and depicted on the attached Exhibit "A", including the installation of two (2) dedicated elevators exclusively serving the Government's leased space on levels 3, 4, and 5. All [REDACTED] visitors, guests, and persons obtaining services from [REDACTED] shall enter and exit the Premises on levels 3, 4, and 5 via these dedicated elevators. Only authorized Government personnel shall access levels 3, 4, and 5 via the existing bank of six (6) elevators (non-dedicated elevators). The Lessor reserves the right to restrict access to the non-dedicated elevators in the event that Government personnel allow non-Government personnel use of the non-dedicated elevators as follows: the restricted access shall be no

INITIALS:

LF
LESSOR

&

DM
GOVT

longer than 5 working days after two offenses have occurred. The Lessor shall provide verbal notification to the GSA LCO following the first offense and after the second offense written notification shall be provided to the GSA LCO by the Lessor. After the combination of both verbal and written notifications has been received by the GSA LCO, the Lessor shall reserve the right to restrict Government personnel from accessing the non-dedicated elevators for up to 5 working days. After the 5 working days have expired, the Government personnel shall regain full access to levels 3, 4 and 5 via the non-dedicated elevators. Subsequent violations shall follow the same methodology being the combination of verbal then written notification, 5 working day restriction, and the Government regaining access.

It is agreed between the Lessor and the Government that no additional rental consideration shall be paid to the Lessor if the ABOA-SF area of the substituted space provided on the 1st floor causes the total ABOA-SF area to exceed the 44,778 ABOA-SF agreed to in Paragraph 1.03 of the Lease.

[8] 7.10 Modification to Schedule for Completion of Space – Resulting from DID & CD Revision

The Government and Lessor agree that there are no Government or Lessor delays from the date following Lease Award to the date this Lease Amendment number one has been fully executed. After full execution of this Lease Amendment # 1, the schedule and timeframes as outlined in the Lease shall be in full force and effect.

[9] 7.11 Cost for dedicated elevators and relocation of ground floor restrooms.

Notwithstanding anything to the contrary set forth in the Lease or this Lease Amendment No. 1, the costs to install new ground floor restrooms and to install two (2) dedicated elevators exclusively serving the Government Leased Premises on Floors 1, 3, 4 and 5 shall be shared between the Government and the Lessor on a 75% (Government's share of cost) / 25% (Lessor's share of cost) basis. The Government shall reimburse Lessor for the additional maintenance costs Lessor shall incur for the two dedicated elevators which Lessor shall maintain.

[10] 7.12 Modification to GSA Form 3517B, General Clause No. 15, "ALTERATIONS".

The last sentence of the clause is deleted and replaced with the following. The rest of General Clause No. 15 is unaltered.

"Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space, with the exception of the elevators and associated access points."

[11] 7.13 Potential Conflicts with Lease Specifications, Architectural Drawings Contained within the Construction Drawings Dated May 13, 2015, and Uncaptured Information by Lessor Provided by the Government During Design.

The Government approves the Architectural Drawings (A-Drawings) contained within the Construction Drawings (CDs) dated May 13, 2015. The balance of the Drawings are approved to the extent as defined in Lease Section 4.01B. The Lessor shall prepare the space in accordance with the CDs dated 05/13/2015 and Lease Specifications. Where there are deviations between the A-Drawings of the CDs dated May 13, 2015, the Lease, and in the event information was not captured by the Lessors' team provided by the Government during the design process such as room sizes, finish selections, electrical outlets, dedicated outlets, or ceiling heights, the approved A-Drawings and such drawings associated with them (as defined above) shall take precedence over all.

Additionally, the Government has provided wall specifications to Lessor. If walls are constructed to meet these specifications and the STC rating with the respective rooms is deemed inadequate by the Government, the Government will request a change order to have Lessor install additional materials to improve the STC rating.

[12] 7.14 Separate Building Entrance for [REDACTED]

Lessor is reconfiguring the building lobby to install a separate and exclusive entrance to the suites occupied by the Government ([REDACTED]). A future lease amendment shall establish the change of street address, proposed to be 1325 Front Street. All visitors and invitees will access the Premises via this new entrance and lobby and dedicated elevators serving floors 3, 4 and 5. Authorized Government personnel will access the Premises from either the new entrance or from the existing building lobby and elevators of 110 West A Street.

INITIALS:


LESSOR

&


GOVT

[13] 7.15 Notice to Proceed Construction: Following a Government review of the submitted cost proposal, the Government has determined that the bid submitted is fair and reasonable. A Notice to Proceed is hereby issued for the construction of Tenant and BSAC improvements at a total cost not to exceed **\$5,266,640.07**

[14] 7.16 Tenant Improvement Cost Overage: The total cost for the Tenant Improvements in the amount of \$4,742,594.07 exceeds the Tenant Improvement Allowance of \$2,016,347.96 (Total Construction Costs \$5,266,640.07 – BSAC Costs \$524,046.00 = \$4,742,594.07). As such, the tenant improvement cost overage is **\$2,726,246.11** (\$4,742,594.07 - \$2,016,347.96 = \$2,726,246.11). The BSAC costs of \$524,046.00 shall be amortized in the rent at 8% per annum over 10 years.

[15] 7.17 Lump Sum Payment of the Tenant Improvement Cost Overage: Upon completion and acceptance of Tenant Improvements identified herein, the Lessor shall submit for Lump Sum payment, an original and one copy of the invoice. The Original Invoice, in the amount **not to exceed \$2,726,246.11** shall be submitted to:

GSA, Greater Southwest Finance Center (7BCP)
PO BOX 17181
Fort Worth, TX 76102

Alternatively the Lessor may submit the Invoice electronically, via the GSA Finance website at www.finance.gsa.gov

A copy of the Invoice shall be simultaneously submitted to the Contracting Officer at:

Daniel J. McGrath
Contracting Officer / Project Manager
U.S. General Services Administration
Real Estate Acquisition Division, Region 9
333 West Broadway, Suite 1001
San Diego, CA 92101

A proper invoice must include the following:

- Invoice date
- Name of the Lessor as shown on the Lease
- Lease contract number, building address, and a description, price and quantity of the items delivered
- Annotation of GSA PS Number (will be sent after Government executes this Lease Agreement)

Title to items for which the Government makes a "LUMP SUM" payment shall vest in the Government. These items can be removed in a commercially reasonable fashion by the Government at any time. The Lessor waives any restoration in connection with these items. Unless the Government has removed the items from the Premises, the Lessor shall remain responsible for maintenance and repair of all items provided by the Lessor under this lease. If, after the lease term, any extensions or succeeding lease term, the Government elects to abandon any items in place, title shall pass to the Lessor. This paragraph shall also apply throughout the term of the lease to any work requested by the Government after occupancy.

All other terms of the Lease shall remain in full force and effect.

INITIALS:


LESSOR

&


GOVT