

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE  LEASE AMENDMENT	LEASE AMENDMENT No. 1  TO LEASE NO. GS-09P-LCA03166
ADDRESS OF PREMISES 4240 E. Jurupa Street Ontario, CA 91761-1427	PDN Number: N/A

**THIS AMENDMENT** is made and entered into between **LBA Realty Fund II – Company XII, LLC**

whose address is: 3347 Michelson Drive, Suite 200, Irvine, CA 92612-0687

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 establish Beneficial Occupancy; establish annual rent; adjust the Broker Commission and commission credit; revise the Termination Rights.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government, as follows:

Accordingly, Paragraphs LEASE TERM, 1.03, 1.04, and 1.05 of the Lease are hereby deleted in their entirety and the following are substituted therefore.

#### LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning **August 1, 2015 continuing through July 31, 2025**, subject to termination and renewal rights as are hereinafter set forth, to be used for such proposed as determined by GSA.


(Continued on next page)

This Lease Amendment contains 3 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: Perry Schmitt  
Title: Authorized Signatory  
Entity Name: \_\_\_\_\_  
Date: 9/9/15

FOR THE GOVERNMENT:

Signature:   
Name: Peronica Gonzalez  
Title: Lease Contracting Officer  
GSA, Public Buildings Service,  
Date: 9-10-15

WITNESSED FOR THE LESSOR BY:

Signature:   
Name: Alison Yukovich  
Title: Authorized Signatory  
Date: 9/9/15

**1.03 RENT AND OTHER CONSIDERATION (SEP 2013)**

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

	<sup>5</sup> FIRM TERM (08/01/2015 – 09/30/2015)	FIRM TERM (10/01/2015 – 07/31/2020)	NON FIRM TERM (08/01/2020 – 07/31/2025)
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$0.00	\$74,700.79	\$94,874.39
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$36,923.77	\$54,353.77	\$0.00
OPERATING COSTS <sup>3</sup>	\$0.00	\$34,398.11	\$34,398.11
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	\$0.00	\$1,349.20	\$0.00
<b>TOTAL ANNUAL RENT</b>	<b>\$36,923.77</b>	<b>\$164,801.87</b>	<b>\$129,272.50</b>

<sup>1</sup>Shell rent calculation:

(Firm Term Months 1-60) \$12.857279 per RSF multiplied by 5,810 RSF

(Non Firm Term) \$16.329499 per RSF multiplied by 5,810 RSF

<sup>2</sup> The total Tenant Improvement cost is \$238,901.86 including Change Orders Number 1 through 10. The first \$87,150.00 (\$16.62 per ABOA SF/\$15 per RSF multiplied by 5,810 RSF) of the Tenant Improvement Allowance is amortized at a rate of 0.00 percent per annum over 5 years, and the remaining \$151,751.86 of the Tenant Improvement Allowance (if utilized in whole or in part) is to be amortized at a rate of 8.00 percent per annum over 5 years.

<sup>3</sup> Operating Costs rent calculation: \$5.920501 per RSF multiplied by 5,810 RSF

<sup>4</sup> Building Specific Amortized Capital (BSAC) of \$6,746.00 is amortized at a rate of 0.00 percent per annum over 5 years

<sup>5</sup> Free rent for the first 2 months at \$10,656.51 per month includes the Shell Rent at \$6,225.07 per month, Tenant Improvement Rent at \$1,452.50 per month, Operating Costs at \$2,866.51 per month, and BSAC at \$112.43 per month. The total free rent is \$21,313.02 for the first 2 months and the free rent is reflected in Year 1. The first \$87,150 or \$15/RSF of the total Tenant Improvement cost would be free and the remaining amortized TI at \$151,751.86, which is amortized at a rate of 8.00 percent per annum over 5 years, would not be free.

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B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 5,244 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. INTENTIONALLY DELETED

D. INTENTIONALLY DELETED

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), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered 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 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.

INITIALS:

LESSOR

&

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H. INTENTIONALLY DELETED

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

A. **DTZ AMERICAS, 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 **DTZ AMERICAS, 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 Shell Rent:

October 2015 Shell Rental Payment \$6,225.07 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted October 2015 Shell Rent.\*

November 2015 Shell Rental Payment \$6,225.07 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted November 2015 Shell Rent.\*

December 2015 Shell Rental Payment \$6,225.07 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted December 2015 Shell 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 **July 31, 2020**, 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. If the space being considered for release is not marketable in its existing configuration, but could be made marketable by constructing a wall to separate it from the relinquishing tenant agency's remaining space or by constructing a separate entrance, then the space may be released if the tenant agency funds the needed alterations to make space accessible. The Government will work with the Lessor on determining how to subdivide the space to make it marketable. Lessor should not unreasonably withhold consent of the release of space.

**ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN IN FORCE AND EFFECT.**

INITIALS:

  
LESSOR

&

  
GOV'T