

LEASE NO. GS-09P-LCA03274

Streamlined Lease
GSA FORM L201B (May 2015)

This Lease is made and entered into between

BRE CA OFFICE OWNER LLC, a Delaware limited liability company

(Lessor), whose principal place of business is 222 S. Riverside Plaza, Suite 2000, Chicago, IL 60606-6115 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

9444 Balboa Avenue, Suites 320 and 475, San Diego, CA 92123-4447

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

██████████ 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: Frank Campbell
Title: Managing Director
Entity Name: Equity Office
Date: March 14, 2016

FOR THE GOVERNMENT:

██
Name: Ryan Geerisma
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 3/17/2016

WITNESSED FOR THE LESSOR BY:

██████████
Name: Tim Marchal
Title: Regional Director
Date: March 17, 2016

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.

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LESSOR: Frak GOVERNMENT: PK

GSA FORM L201B (05/15)

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.1 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. **Office and Related Space:** 17,498 rentable square feet (RSF), yielding 15,280 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 3rd and 4th floor(s) and known as Suite(s) 320 and 476, 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 14.52 percent. 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.

1.2 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:** 80 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 0 shall be structured/inside parking spaces, and 80 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.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.3 RENT AND OTHER CONSIDERATION (APR 2015)

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

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$ 523,365.18	\$ 563,960.64
OPERATING COSTS ²	\$ 170,605.50	\$ 170,605.50
TOTAL ANNUAL RENT³	\$ 693,970.68	\$ 734,566.04

¹Shell rent calculation:

(Firm Term) \$29.91 per RSF multiplied by 17,498 RSF

(Non Firm Term) \$32.23 per RSF multiplied by 17,498 RSF

Included in Shell rent are all Tenant Improvement costs associated with this lease

²Operating Costs rent calculation: \$9.76 per RSF multiplied by 17,498 RSF

³The Government shall be entitled to free rent in the amount of \$231,323.68 (shell and operating rent for Months 1-4) to be applied against the monthly fully serviced rental payment until exhausted. The free rent shall commence with the first month of the Lease and continue until the free rent has been fully captured in equal monthly installments over the shortest time practical.

In instances where the Lessor amortizes either the TI or BSAC 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 15,280 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. 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.

D. 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 in SAM.

E. 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.

1.4 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. Jones Lang LaSalle 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 Jones Lang LaSalle 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 Rent:

Month 5 Rental Payment \$57,830.89 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5th Month's Rent.*

Month 6 Rental Payment \$57,830.89 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 6th Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.5 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 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.

1.6 DOCUMENTS INCORPORATED IN THE LEASE (APR 2015)

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

DOCUMENT NAME	No. of PAGES	EXHIBIT
FLOOR PLAN(S), AS APPROVED	2	A
PARKING PLAN(S)	1	B
AGENCY SPECIFIC REQUIREMENTS, AS CLARIFIED	9	C
SECURITY REQUIREMENTS	8	D
TI UNIT PRICE LIST	2	E
GSA FORM 3517B GENERAL CLAUSES, AS AMENDED	47	F
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	3	G

1.7 TENANT IMPROVEMENTS AND PRICING (STREAMLINED) (SEP 2013)

The Lessor has agreed to total TI pricing of \$821,818.00 based on the Agency Specific Requirements (ASR) and design schematic included in Exhibit A. This amount is amortized in the rent.

The TI Unit Prices listed in Exhibit E will be used to make the adjustment for variances between turnkey pricing based on the schematic drawing in the agency requirements package and the approved design intent drawings. The prices quoted will also be used to order alterations during the first year of the Lease. The prices quoted shall be the cost to furnish, install, and maintain each item, unless otherwise specified. These prices may be indexed or renegotiated to apply to subsequent years of the Lease upon mutual agreement of the Lessor and the Government. Final rent calculations will be reconciled and the Lease will be amended after acceptance of the Space.

The Government shall have the right to make lump sum payments for any or all TI work.

1.8 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

14.46 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 17,498 RSF by the total Building space of 120,992 RSF.

1.9 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$42,650.85. Tax adjustments shall not occur until the tax year following lease commencement has passed. Real Estate Taxes are included in the rent.

1.10 OPERATING COST BASE (SEP 2013)

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 \$9.75 per RSF (\$170,605.50/annum).

1.11 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 \$3.00 per ABOA SF of Space vacated by the Government.

1.12 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

\$50.00 per hour per zone

No. of zones: 2 (Zone 1 is 3rd Floor space; Zone 2 is 4th Floor space)

1.13 INTENTIONALLY DELETED

1.14 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. 128.700, the HUBZone SBC must spend at least 60% 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.