

This Lease is made and entered into between **DBSI State Offices, LLC** (Lessor), whose principal place of business is **750 B Street, Suite 2620, San Diego, CA 92101**, 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 of the Property located at **611 Broad Street, Lake Charles, LA 70601**

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 May 1, 2014 and continuing for a period of

15 Years, 10 Years Firm,

subject to termination and renewal rights hereinafter set forth. The Government accepts the space and the Commencement Date of the rental shall be May 1, 2014, retroactive. This Lease shall expire on April 30, 2029 subject to termination rights outlined herein Section 1.05 TERMINATION RIGHTS.

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:

FOR THE GOVERNMENT:

Name: [Redacted] *es*
Title: *Manager of DBSI state office*
Date: *7/22/14*

Name: *WANDA LOPEZ*
Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: *8-6-2014*

Name: [Redacted]
Title: *Executive Assistant*
Date: *7/22/14*

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 (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. **Office and Related Space:** A total of **56,570** rentable square feet (RSF), yielding **45,160** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1st, 2nd and 3rd floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit B. Of the 45,160 ABOA square feet [REDACTED] shall occupy 37,839 ABOA square feet (47,399 RSF), [REDACTED] shall occupy 5,880 ABOA square feet (7,366 RSF) and the [REDACTED] shall occupy 1,441 ABOA square feet (1,805 RSF).

B. **Common Area Factor:** The Common Area Factor (CAF) is established as **25.2645** percent. This factor, which represents the conversion from ABOA to rentable square feet, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 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:** A total of **60** surface/outside parking spaces as depicted on the plan attached hereto as Exhibit C, reserved for the exclusive use of the Government. Of the 60 spaces, 52 are available for [REDACTED], 6 are available for [REDACTED] and 2 are available for [REDACTED]. 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.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

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

	FIRM TERM	FIRM TERM	NON-FIRM TERM
	YEARS 1 - 5	YEARS 6 - 10	YEARS 11 - 15
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$791,980.00	\$844,024.40	\$913,605.50
TENANT IMPROVEMENTS RENT ²	\$ 0.00	\$ 0.00	\$ 0.00
OPERATING COSTS ³	\$ 262,000.00	\$ 262,000.00	\$ 262,000.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 1,511.60	\$ 1,511.60	\$0.00
PARKING ⁵	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$1,055,491.60	\$1,107,536.00	\$1,175,605.50

¹Shell rent calculation:
 (Firm Term – Years 1 - 5) \$14.00 per RSF multiplied by 56,570 RSF
 (Firm Term – Years 6 - 10) \$14.92 per RSF multiplied by 56,570 RSF
 (Non-Firm Term – Years 11 - 15) \$16.16 per RSF multiplied by 56,570 RSF

²The Tenant Improvement Allowance of \$0.00 is amortized at a rate of N/A percent per annum over N/A years.

³Operating Costs rent calculation: \$4.6314301 per RSF multiplied by 56,570 RSF

⁴Building Specific Amortized Capital (BSAC) of \$16,116.00 are amortized at a rate of 0.00 percent per annum over 10 years

⁵Parking costs described under sub-paragraph H below

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 XX 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, as agreed upon by the parties subsequent to the Lease Award Date.

LEASE NO. GS-07P-LLA17296, PAGE 1 LESSOR:  GOVERNMENT: 

- D. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, 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), 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.
- H. Parking shall be provided at a rate of \$0.00 per parking space per month (surface/outside).

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. **SAVILLS STUDLEY, INC.** (Broker) (formerly known as **STUDLEY, INC.**) 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 **SAVILLS STUDLEY, 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 \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 1 st Month's Rent.*
Month 2	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 2 nd Month's Rent.*
Month 3	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 3 rd Month's Rent.*
Month 4	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 4 th Month's Rent.*
Month 5	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 5 th Month's Rent.*
Month 6	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 6 th Month's Rent.*
Month 7	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 7 th Month's Rent.*
Month 8	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 8 th Month's Rent.*
Month 9	Rental Payment \$87,967.63	minus prorated Commission Credit of [REDACTED]	equals [REDACTED]	adjusted 9 th 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 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.

1.06 RENEWAL RIGHTS (SEP 2013) INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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



 Lessor: _____ Government: _____

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
LEGAL DESCRIPTION	1	A
FLOOR PLAN(S)	4	B
PARKING PLAN(S)	1	C
SECURITY REQUIREMENTS	9	D
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	F
LEASE AMENDMENT ISSUED UNDER RLP – AMENDMENT NO. 1	1	G
LEASE AMENDMENT ISSUED UNDER RLP – AMENDMENT NO. 2	1	H

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs 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 TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$15,116.00**. 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 **0.00** percent.

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

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 may elect to:

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.

1.11 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 **92.4106** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **66,670** RSF by the total Building space of **61,216** RSF.

1.12 REAL ESTATE TAX BASE (SEP 2013) INTENTIONALLY DELETED

1.13 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 **\$4.6314301** per RSF (**\$262,000.00/annum**).

1.14 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 **\$1.00** per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage: **\$35.00** per hour for the entire Space.

1.16 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 at an annual rate of **\$0.00** per ABOA SF, of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.17 BUILDING IMPROVEMENTS (SEP 2012)

The Lessor shall complete the following additional Building improvements within three (3) months of Lease execution:

- A. Install new 185 nominal ton Trane Chiller for the Building HVAC system
- B. Install new 5 ton standalone rooftop HVAC unit on the 3rd floor
- C. Install new building water heater

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (SEP 2013)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real-estate broker, Broker shall refer to GSA's broker.
- C. Building. The building(s) situated on the Property in which the Premises are located shall be referred to as the Building(s).
- D. Commission Credit. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the Commission Credit.
- E. Common Area Factor (CAF). The Common Area Factor (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF-10,000 ABOA SF)/10,000 ABOA SF]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.
- F. Contract. Contract and contractor means Lease and Lessor, respectively.
- G. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.
- H. FAR/GSAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.
- I. Firm Term/Non-Firm Term. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.
- J. Lease Term Commencement Date. The Lease Term Commencement Date means the date on which the lease term commences.
- K. Lease Award Date. The Lease Award Date means the date of execution of the Lease by the LCO and the mailing or otherwise furnishing written notification of the executed Lease to the successful Offeror (and on which the parties' obligations under the Lease begin).
- L. Premises. The Premises are defined as the total Office Area or other type of Space, together with all associated common areas, described in Section 1 of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.
- M. Property. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.
- N. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises: $ABOA\ SF\ of\ Space \times (1 + CAF) = RSF$.
- O. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Office Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.
- P. Office Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-1996) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed." References to ABOA mean ANSI/BOMA Office Area.