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August 16, 2019

Mr. Robert Alperin
Senior Director
Cushman & Wakefield of California, Inc.
3780 Kilroy Airport Way, Suite 100
Long Beach, CA 90806

RE: Counter proposal for Alameda Corridor Transportation Authority (“Tenant”) for extension in that certain building located at 3760 Kilroy Airport Way (the “Building”), which Building is part of the office project known as “Kilroy Airport Center Long Beach” (the “Project”)

Dear Bob,

Thank you for your offer dated August 2, 2019 on behalf of the Tenant. In response, Cushman & Wakefield, on behalf of Kilroy Realty, L.P. (“**Landlord**”) is pleased to submit this proposal for the Tenant to extend its lease in the above-referenced Building on the terms and conditions set forth as follows. This counter proposal is submitted in order to permit the parties to engage in open and informed discussions of potential leasing terms, and is not intended as and shall not constitute an offer, an acceptance or a contract:

BUILDING: Kilroy Airport Center/Long Beach
3760 Kilroy Airport Way
Long Beach, CA 90806

PREMISES: The Premises are known as Suite 200 consisting of approximately 7,074 rentable square feet (approximately 6,222 usable square feet) located on the second (2nd) floor within 3760 Kilroy Airport Way, Long Beach, California, 90806, totaling 165,278 rentable square feet.

RENEWAL TERM: Tenant’s current lease term is scheduled to expire on February 29, 2020. The lease term shall be extended for sixty-five (65) months (the “Renewal Term”) and shall commence on March 1, 2020 (the “Renewal Term Commencement Date”).

RENTAL RATE: Commencing on the Renewal Term Commencement Date, the monthly Base Rent for the Premises shall be \$2.85 per rentable square foot on a full service gross basis for months one (1) through twelve (12). The monthly Base Rent shall increase by 3% per year effective March 1, 2021 and each March 1st thereafter.

Provided Tenant is then not in default of the Lease, Landlord agrees to abate 100% of the monthly Base Rent for the first five (5) months of the Renewal Term.

OPERATING EXPENSE & TAX ESCALATIONS: Effective on March 1, 2020, the Base Year shall be adjusted to calendar year 2020. Landlord shall not pass-through any operating expenses or real estate taxes for the initial twelve (12) months of the Renewal Term.

IMPROVEMENTS: Tenant occupies the Premises and shall continue to accept the Premises in its “as is” condition on the Renewal Term Commencement Date. Notwithstanding the above, Landlord, at Landlord’s sole cost, shall provide the following improvements to the Premises:

- Touch-up paint the walls.
- Clean the carpet.
- Deep clean the entire suite and in particular in the kitchen area (polish the VCT, clean under the refrigerator, etc.).

PARKING: Pursuant to terms in the existing lease with the exception that four (4) pool cars shall be reduced to two (2) pool cars and all parking (including the two reserved stalls) shall be free for the Renewal Term.

SECURITY DEPOSIT: Tenant's security deposit shall be increased by the difference between the Security Deposit currently held by Landlord and 110% of last month's rent of the Renewal Term. The new security deposit amount is subject to change based on Landlord's review of Tenant's audited financials.

FINANCIAL STATEMENTS: Tenant shall provide its audited financial statements for the past 3 years for Landlord's review and approval.

SUBJECT TO TENANT'S BOARD APPROVAL: The terms of this counter proposal and a final lease amendment is subject to Tenant's board approval.

CONFIDENTIAL INFORMATION: Tenant is a public agency and the final executed lease agreement or any other related documents will be a public record to the extent required by applicable laws, rules or regulations.

BROKERAGE COMMISSIONS: Landlord and Tenant acknowledge that Cushman & Wakefield of California, Inc. represents Landlord and Tenant in this transaction and shall be paid a commission by Landlord per separate agreement. Bob Alperin shall act on behalf of Tenant and Tom Sheets shall act on behalf of Landlord.

EXPRESS CONTINGENCIES: Any lease contemplated by this proposal shall be expressly contingent upon and subject to the followings:

- Review and approval of Tenant's current audited financials and credit enhancement.
- Landlord's Senior Management approval.
- Mutually executed lease documentation (inclusive of improvement construction/coordination documentation).
- This proposal set forth herein being expressly accepted and countersigned by both parties (without modification) on or before 5:00 PM, August 26, 2019.

Other terms and conditions of the existing Lease dated May 22, 2014, as amended shall remain in full force and effect.

EXCEPT WITH REGARD TO THE CONFIDENTIALITY PROVISION SET FORTH BELOW, THIS LEASE PROPOSAL DOES NOT CONSTITUTE A BINDING AGREEMENT BY ANY PARTY, BUT IS INTENDED SOLELY TO SPECIFY SOME OF THE PROPOSED TERMS AND CONDITIONS OF THE TRANSACTION. NEITHER PARTY MAY CLAIM ANY LEGAL RIGHTS, NEITHER AGAINST THE OTHER BY REASON OF THE SIGNING OF THIS LEASE PROPOSAL NOR BY TAKING ANY ACTION IN RELIANCE THEREON.

EACH PARTY UNDERSTANDS THAT NO PARTY SHALL HAVE ANY LEGAL OBLIGATIONS TO THE OTHER, UNLESS AND UNTIL ALL OF THE TERMS AND CONDITIONS OF THE PROPOSED TRANSACTION HAVE BEEN NEGOTIATED AND AGREED BY ALL PARTIES IN AN EXECUTED LEASE AGREEMENT OR OTHER WRITTEN DOCUMENT. IN CONNECTION WITH THE FOREGOING, EACH OF LANDLORD AND TENANT ACKNOWLEDGE AND AGREE THAT (I) THIS LEASE PROPOSAL SHALL NOT CONSTITUTE AN AGREEMENT TO NEGOTIATE, (II) THIS LEASE PROPOSAL CONSTITUTES SOLELY AN OUTLINE OF THE TERMS OF NEGOTIATION, (III) THEY ARE PROCEEDING WITH NEGOTIATIONS RELATED TO THE PROPOSED TRANSACTION AT THEIR SOLE COST AND EXPENSE (WHICH MAY INVOLVE SUBSTANTIAL TRANSACTION COSTS), AND (IV) EITHER PARTY MAY TERMINATE NEGOTIATIONS FOR ANY REASON AT ANY TIME, WITHOUT ANY LIABILITY OR OBLIGATION WHATSOEVER. FURTHER, TENANT ACKNOWLEDGES THAT THE EXECUTION OF THIS LEASE PROPOSAL BY LANDLORD DOES NOT IN ANY WAY PROHIBIT OR LIMIT LANDLORD'S RIGHT TO MARKET AND/OR SHOW THE PREMISES (OR ANY APPLICABLE PORTION THEREOF) TO ANY OTHER PARTY (OR PARTIES) LANDLORD DESIRES, OR TO NEGOTIATE AND/OR CONSUMMATE A LEASE TRANSACTION FOR THE PREMISES (OR ANY APPLICABLE PORTION THEREOF) WITH ANY PARTY (OR PARTIES) LANDLORD SO DESIRES, UPON ANY TERMS LANDLORD SO DESIRES.

The undersigned acknowledges that all correspondence (including this lease proposal) and all communication between Landlord, Tenant, and the undersigned concerning information which may ultimately become or becomes part of the Lease is confidential information (collectively, the "**Confidential Information**"). Whether or not the Lease is ultimately consummated, the undersigned and Tenant shall keep the Confidential Information strictly confidential and shall not disclose the Confidential Information to any person or entity other than Tenant's financial, legal, and space planning consultants.

Kilroy Realty, L.P. is excited about the opportunity to assist Alameda Corridor Transportation Authority with its office space in the Project. Thank you for your time and consideration. We look forward to discussing this proposal with you at your earliest convenience.

Sincerely,

CUSHMAN & WAKEFIELD OF CALIFORNIA, INC. - Lic. #00616335



Tom Sheets
Executive Managing Director
Lic. #01252183



Robert S. Garey
Senior Director
Lic. #01019650



Quint Carroll
Director
Lic. #01914692

cc: Daisy Liu
Angela Polizzi

Agreed and accepted this _____ day of _____, 2019.

Alameda Corridor Transportation Authority

By: _____

Title: _____