

Suzanne Charles
SBCCOG
Administrative Officer
20285 S. Western Ave.
Suite 100
Torrance, CA 90501

May 16, 2014



SOUTH BAY CITIES
COUNCIL OF GOVERNMENTS

Direct: (310) 371-7222 x211
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<http://www.southbaycities.org>

RE: South Bay Cities Council of Government Sublease Renewal Proposal
20285 S. Western Ave., Suite 100, Torrance, CA 90501

Dear Suzanne,

As the authorized agent for Maritz, I would like to present the following Sublease renewal proposal:



Building: 20285 S. Western Ave.,
Suite 100,
Torrance, CA 90501

Landlord: Mar Canyon Torrance LLC

Sublandlord: Maritz Holdings Inc.

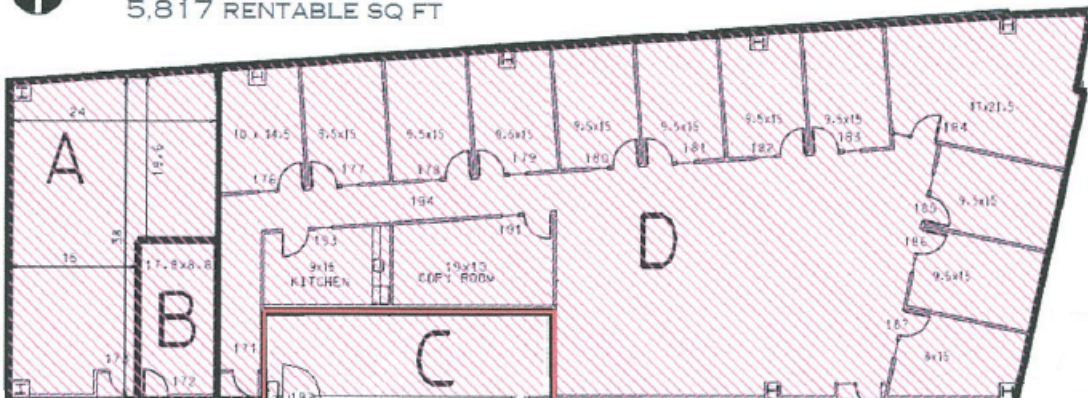
Subtenant: South Bay Cities Council of
Government

Premises: 5,817 rentable square feet on the 1st floor (the existing premises- Suite 100)



FIRST FLOOR PLAN

5,817 RENTABLE SQ FT



**Sublease Renewal
Commencement Date:**

May 20, 2015 (first of two 24 month renewal term options)

**Sublease Renewal
Expiration Date:**

May 31, 2017

Base Rental Rate:

The Fair Market Value or otherwise current monthly base rental rate for similar spaces with similar uses comparable in size, location, and quality to the space, located within similar Class A buildings in the area is \$2.10 psf/month.

Adjusted accordingly per section 28 of the Sublease, and the Monthly Base Rent for said renewal term shall be equal to \$1.99 psf (ninety-five percent (95%) of Fair Market Value). The rental rate shall be full service gross with annual increases of three percent (3%).

For comparison: The Base Rent at the Sublease Term effective May, 15, 2015 shall be \$1.97 psf/month (\$23.60 psf/year). The proposed Base Rent at commencement of the Sublease Renewal Term shall be \$1.99 psf/month (\$23.88 psf/year).

Rent schedule:

5,817 rentable sq ft	MONTH	DATE	RATE RSF/ MONTH	BASE RENT/ MONTH	
Renewal Term Commencement Date 5/20/2015	1	5/20/2015	\$1.99	\$4,398.82	Prorated @ 38% (5/20-5/31)
	2	6/1/2015	\$1.99	\$11,575.83	
	3	7/1/2015	\$1.99	\$11,575.83	
	4	8/1/2015	\$1.99	\$11,575.83	
	5	9/1/2015	\$1.99	\$11,575.83	
	6	10/1/2015	\$1.99	\$11,575.83	
	7	11/1/2015	\$1.99	\$11,575.83	
	8	12/1/2015	\$1.99	\$11,575.83	
	9	1/1/2016	\$1.99	\$11,575.83	
	10	2/1/2016	\$1.99	\$11,575.83	
	11	3/1/2016	\$1.99	\$11,575.83	
	12	4/1/2016	\$1.99	\$11,575.83	
	13	5/1/2016	\$2.05	\$11,923.10	3.0% Base Rental Rate Increase
	14	6/1/2016	\$2.05	\$11,923.10	
	15	7/1/2016	\$2.05	\$11,923.10	
	16	8/1/2016	\$2.05	\$11,923.10	
	17	9/1/2016	\$2.05	\$11,923.10	
	18	10/1/2016	\$2.05	\$11,923.10	
	19	11/1/2016	\$2.05	\$11,923.10	
	20	12/1/2016	\$2.05	\$11,923.10	
	21	1/1/2017	\$2.05	\$11,923.10	
	22	2/1/2017	\$2.05	\$11,923.10	
	23	3/1/2017	\$2.05	\$11,923.10	
	24	4/1/2017	\$2.05	\$11,923.10	
Renewal Term Expiration Date 5/31/2017	25	5/31/2017	\$2.05	\$11,923.10	

Base Year:

Adjusted accordingly per section 28 of the Sublease, and the Base Year for said renewal term operating expenses shall be Base Year 2015

Extended Term Option: The Sublease renewal proposed is 24 months, however Sublandlord would like to offer SBCCOG the opportunity to extend the renewal term 58 months (through November 30, 2019). In return the annual escalation rate will be locked at 2.5% and two (2) months Base Rent shall be abated commencing June 1, 2015. Effective May 20, 2015 the Base Year for operating expenses shall be adjusted to Base Year 2015. Effective May 20, 2017 the Base Year for operating expenses shall be adjusted to Base Year 2017.

Brokerage Commission: Each of Sublandlord and Subtenant represents and warrants to the other that it has not dealt with any broker in connection with this Sublease renewal and that to the best of its knowledge and belief, no broker, finder or similar person is entitled to any fee or commission in connection herewith.

Proposal Conditions: This proposal is contingent upon receiving Landlord's consent to the sublease renewal.

Expiration Date: This proposal will remain open for your consideration through July 9, 2014.

Subject to Lease Execution: This proposal is intended solely as a preliminary expression of general interest and is to be used for discussion purposes only. The parties intend that neither party shall have any obligation whatsoever hereunder to the other party with respect to the matters referred to herein unless and until a definitive written Sublease agreement has been fully executed and delivered by the parties to their respective satisfaction in their sole and absolute discretion. The parties agree that this proposal is not intended to create any agreement or obligation of any kind (including, without limitation, any implied covenant of good faith and fair dealing, which is hereby expressly disclaimed) and imposes no duty whatsoever on either party to negotiate or to continue negotiations, including, without limitation, any obligation to negotiate or to act in good faith. Prior to delivery of a definitive executed written lease agreement, and without any liability to the other party, either party may (1) propose different terms from those summarized herein, (2) enter into or continue negotiations with other parties and/or (3) unilaterally terminate all negotiations and consideration with the other party hereto.

AGREED & ACCEPTED:
South Bay Cities Council of Government

PROPOPSAL ISSUED BY:
Maritz

By: Date

Print

Title



Mark Alspaw

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