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October 29, 2018

Mr. Jeff Andrew
Senior Director
Pacific Realty Advisors | Cushman & Wakefield
5060 California Avenue, Suite 1000
Bakersfield, CA 93309

Re: Proposal to Lease
Approximately 62,000 Square Foot Administrative Office/Campus
Seven Oaks Business Park, Bakersfield, California

Dear Jeff:

In response to the recently issued Request for Proposal (RFP) for development of a new Bakersfield College administrative office/campus in Southwest Bakersfield, we would like to thank you for the opportunity and submit the attached Proposal to Lease for consideration of Bakersfield College and the Kern Community College District within the Seven Oaks Business Park.

Seven Oaks Business Park (SOBP) is located within the ever-expanding population growth of Southwest Bakersfield within the Seven Oaks master-planned community. Please note the project specifics summarized below:

Location:

- Located within Seven Oaks master-planned community near Stockdale High School.
- SOBP is comprised of over 260 acres with direct access via landscaped bike pathway and walking trail to our 8-acre community park scheduled to open spring 2019.
- The trail system is also linked within easy walking distance to the proposed site and Shoppes retail center featuring Sequoia Sandwich Co., Asada Grill, Sully's Chevron and Centric Urgent Care with other future restaurant and services to be announced.
- Unique location provides convenient linkage to all neighborhoods of Southwest and Northwest Bakersfield and the future West Beltway.

Site:

- The proposed 5.5-acre site has the ability to expand to accommodate future growth.
- Building parcel designated 100% to KCCD use, not shared with other businesses.
- Parking requirements are met within parcel; not necessary to share parking with other uses.

- Site plan accommodates parking on all four (4) sides for ease of access and allows for security-controlled access points at all building entrances for the safety of students and staff.
- Site includes outdoor landscaped space designated for student gathering areas/amphitheater.

Building:

- Building designed at 62,000 square feet specifically to meet current requirements of Bakersfield College with room for expansion as the college continues to grow.
- Building to benefit from California's current Energy Efficiency's Requirements.
- Building exterior designed to represent Bakersfield College and will be further identified with building and monument signage.

Because the developer, Bolthouse Properties, has a long history in the community, including previously donating property to KCCD for a future campus, they are positioned (and willing) to provide the Kern Community College District with an extremely competitive proposal.

Working with a team of local architects and contractors, the developer is able to insure timely delivery of the finished project built to "prevailing wage" standards within the shortest possible time frame to meet the target occupancy of January 2020.

The project is not subject to Landlord obtaining financing for development or construction. To further emphasize the economic benefit of our SOBP proposal compared to the previous alternative proposal dated August 27, 2018 currently before the KCCD Board of Trustees, our proposal will amount to an initial monthly rental savings of over \$42,000.00 per month, or an average of over \$625,000.00 per year and over the proposed 20-year lease term an amount in excess of \$12,500,000.00 to the benefit of the Tenant.

In summary, the lease terms based upon design and cost projections attached as Exhibits to the proposal are as follows:

Site:	Approximately 5.5 net acres of approximately 239,580 square feet of land area.
Building:	Approximately 62,000 rentable square feet contained within a three (3) story building as approved by Landlord and Tenant.
Lease Rate:	\$1.79 per square foot per month, NNN for that portion of the building utilizing the \$40 per square foot tenant improvement allowance, and \$1.60 per square foot per month, NNN for that portion of the building not utilizing the \$40 per square foot tenant improvement allowance.

Alternatives

1. \$0.03 per square foot per monthly increase to construct the building to Leeds Silver Certification.
2. \$0.02 per square foot per month to construct the building to Risk Category III.

Tenant Improvement Allowance: \$40 per rentable square foot or approximately \$2,480,000.00.

Monthly Lease: \$110,980.00 per month, NNN (assuming use of 100% of the Tenant Improvement Allowance).

Annual Lease: \$1,331,760.00 per year, NNN.

We would welcome an opportunity to discuss our proposal and look forward to answering any questions you may have.

Very Sincerely,



Mark J. Smith, SIOR
Principal



Martin J. Starr
Principal

cc: Dr. Sonia Christian, Bakersfield College
Thomas J. Burke, Chancellor – KCCD
Deborah Martin, Chief Financial Officer - KCCD



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Mr. Jeff Andrew
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Re: Build-to-Suit Proposal to Lease
Seven Oaks Business Park
Bakersfield, California

Dear Jeff:

Thank you for the opportunity to submit this Build-to-Suit Proposal to Lease an approximately 62,000 square foot office/educational campus building. The following is the basis upon which Bolthouse Land Company, LLC (“Bolthouse”) would proceed in developing/constructing a Southwest Bakersfield administrative office/campus building within the Seven Oaks Business Park.

TENANT: Kern Community College District, a political subdivision of the State of California on behalf of Bakersfield College

LANDLORD: Bolthouse Land Company, LLC, a California limited liability company

PREMISES: Approximately 62,000 rentable square feet (“Premises”) located within the Seven Oak Business Park master-planned development in Bakersfield, CA (“Building”) to be designed. The subject parcel shall consist of approximately 5.5 net acres of improved land.

USE: Tenant shall have the right to use the Premises as a general and administrative office building and for educational classroom purposes and related legal uses approved by the Landlord. Landlord to provide approved parking at a minimum of eight (8) stalls per thousand (1,000) square feet or approximately 500 total parking stalls.

DELIVERY: Landlord shall commence with development and construction of the Premises upon mutual execution of a Lease Agreement between Landlord and Tenant and delivery of a permit ready complete set of plans and specifications by the Architect detailed below. The parties acknowledge and agree that time is

of the essence for this project, and Landlord shall take all commercially reasonable best efforts to complete the project prior to January 31, 2020. The Landlord estimates that construction of the Premises will take twelve (12) to fourteen (14) months from receipt of a permit from the City of Bakersfield and any other applicable licensing agency. The contractor selected for construction shall be subject to the reasonable approval of the Tenant.

LEASE TERM: Twenty (20) years.

COMMENCEMENT DATE: The Commencement Date would be the first (1st) day of the next calendar month following substantial completion of the agreed upon improvements within the Premises and receipt of a certificate of occupancy.

BASE RENT: The Monthly Base Rent per rentable square foot of the Premises shall be \$1.79 net, net, net (NNN) during the Lease term for that portion of the Premises utilizing the full tenant improvement allowance as specified below and \$1.60 net, net, net (NNN) during the Lease term for that portion of the Premises that does not utilize any portion of the tenant improvement allowance as specified below (Expansion Space).

Alternatives

1. \$0.03 per square foot increase to construct the building to Leeds Silver Certification.
2. \$0.02 per square foot increase to construct the building to Risk Category III.

The NNN rent shall be subject to increases of four and one-half percent (4.5%) every twenty-four (24) months of the lease term.

TENANT IMPROVEMENT ALLOWANCE:

Landlord shall provide Tenant an allowance for tenant improvements in the amount of Forty Dollars (\$40.00) per rentable square foot or an amount of approximately \$2,480,000.00 for purposes of construction of Tenant's interior improvements over and above the base building shell and core improvements to be completed by the Landlord.

TENANTS ACCESS

DURING CONSTRUCTION: Tenant and Tenant's agents shall be permitted to enter the Premises without obligation for rent during construction for the

purposes of installing furniture, fixtures, equipment, phone systems, leasehold improvements and personal property, subject to scheduling coordination with Landlord and Landlord's general contractor and Landlord's receipt of any certificates of insurance as provided for in the Lease Agreement.

FIRST MONTHS RENT & SECURITY DEPOSIT:

Tenant shall be required to pay the first month's rent and a security deposit equivalent to the estimated last month's rent payable upon execution of lease.

SPACE PLANNING & ARCHITECT:

The Architect for this Project is anticipated to be Skarphol Associates. The Landlord's general contractor shall commence construction immediately upon receipt of a building permit to construct the Shell Building and interior tenant improvements based upon the mutually approved plans and specifications developed by Skarphol Associates in accordance with the design standards for the Seven Oaks Business Park.

GENERAL CONTRACTOR:

The General Contractor for this project is anticipated to be Wallace & Smith General Contractors.

OPERATING EXPENSES:

The lease shall be net to the Landlord with Tenant paying all NNN Operating Expenses including site and landscape maintenance, real property taxes, insurance, security, property management and normal and customary operating expenses associated with Class "A" office buildings in the Greater Bakersfield market.

MAINTENANCE & REPAIR:

Tenant shall maintain and repair the interior of the Shell Building; including but not limited to HVAC ducting, thermostats, VRV Units, walls, ceiling, plate glass, doors, door frames and window frames at Tenant's expense.

ASSIGNMENT/ SUBLETTING:

Tenant shall have the right to assign or sublet the Premises to a corporation or entity that assumes all of Tenant's obligations and either (a) controls, or is controlled by, or under control with Tenant or (b) merges or consolidates with Tenant. Tenant shall have the right to assign or sublease to any other entity with Landlord's reasonable consent, as long as the intended use does not conflict with any exclusives in the center and subject to the terms of the Lease.

ACCESS TO THE PREMISES:

Tenant shall have access to the Building, the Premises, and parking lot twenty-four (24) hours per day, seven (7) days per week.

ALTERATIONS BY TENANT:

Tenant at Tenants expense may make repairs to, alterations to, and renovations to the Premises during the Lease Term subject to Landlords prior written approval. All work shall be performed by California licensed contractors and in accordance with existing codes. In addition, Tenant shall have no responsibility or obligation to remove any improvements to the Premises upon lease termination or expiration unless Landlord gives notice to Tenant at the time of such approval that the removal of such improvements are a condition of approval.

SIGNAGE

The exact location, size, style, color, materials and lighting of Tenant's signage shall be consistent and compatible with the Building's design, signage and graphics program and shall comply with all governmental laws, rules and regulations, covenants, conditions and restrictions encumbering the property.

HAZARDOUS SUBSTANCES: Landlord shall represent that there are no environmental hazards or violations in or around the Premises that pose a present danger to health, life or safety upon competition of the shell building. Tenant agrees not to use any Hazardous materials or Chemicals in the Premises that are not standard practice.

COMPLIANCE WITH LAWS: Landlord shall construct the building and interior improvements based upon "prevailing wage" standards and shall have complied with all state, federal, local laws, rules and ordinances including the American with Disabilities Act in connection with the Premises and common areas upon signing the Lease. Any additional requirements after the lease signature required as a condition of Tenant's use and occupancy of the Premises shall be paid for by the Tenant.

NON-DISTURBANCE:

With respect to any mortgages, deeds of trust or other liens encumbering the Premises, Landlord shall, at no cost to Tenant, within thirty (30) days of full execution and delivery of the Lease, secure, and deliver to Tenant a Non-Disturbance and

Attornment Agreement in commercially reasonable form for the benefit of Tenant. In addition, a condition to Tenant's obligation to subordinate to any future mortgage, deed of trust or other lien encumbering the Project shall be Tenant's receipt of a Subordination, Non-Disturbance and Attornment Agreement in commercially reasonable form for the benefit of Tenant from such future lender at no cost to Tenant. Each Subordination, Non-Disturbance, and Attornment Agreement shall recognize Tenant's offset rights specified in the Lease.

EXTENSION OPTIONS:

Tenant shall have two (2) options to extend the Lease Term by five (5) years each, exercisable by Tenant not later than nine (9) months prior to the expiration of the then-existing term. Base Rent during the any extension term shall be fair market rental value of the Premises. If the parties cannot agree on the fair market rental value of the Premises within thirty (30) days after Tenant's exercise of its extension option, the fair market rental value shall be determined using a mutually acceptable appraiser to establish value.

BROKERAGE:

The parties acknowledge and consent thereto that ASU CRE Partners, Inc. dba ASU Commercial represents Landlord and Pacific Realty Advisors | Cushman & Wakefield represents Tenant in this transaction and shall share equally and be paid a commission by Landlord per separate agreement.

This letter of intent is an outline of the major contemplated lease provisions only and is not a binding legal agreement to lease. Neither the Landlord nor Tenant shall have any legal obligation or liability to the other with respect to the matters set forth in this letter of intent unless and until both parties execute a definitive lease. Neither party shall have any obligation to continue discussions or negotiations for any such lease. Nothing contained herein shall be construed to create an option for Tenant to lease the Premises or a reservation of the Premises by Landlord for Tenant or to indicate that Landlord has removed all or any portion of the Premises from consideration by other potential tenants.

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



We look forward to your acceptance of the above referenced terms by November 15, 2018. If you should have further questions, please do not hesitate in contacting our office.

Sincerely,

Mark J. Smith, SIOR
Principal

Martin J. Starr
Principal

Cc: Thomas J. Burke
Deborah Martin
Bruce Davis

AGREED AND ACCEPTED

TENANT
“Kern Community College District”

By: _____

Name: Deborah Martin
Chief Financial Officer

Date: _____

LANDLORD
“Bolthouse Land Company, LLC”

By: _____

Name: Bruce Davis
Senior Vice President

Date: 10-29-18