

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE

DEC 09 2011

LEASE NUMBER

GS-09B-02928

THIS LEASE, made and entered into this date between **Q Street LTD, A California Limited Partnership**

whose address is: **1224 Cottonwood Street
Woodland, CA 95695-4359**

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the GOVERNMENT:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

16,753 rentable square feet (r.s.f.), yielding approximately **15,890** ANSI/BOMA Office Area square feet and related space located at **U.S. Forest Service Building, 875 Mitchell Avenue, Oroville, CA 95695-4646** together with **fifty-one (51)** onsite surface parking spaces, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on **February 1, 2012** through **January 31, 2015** with neither termination nor renewal rights.

3. The Government shall pay the Lessor annual rent of **\$299,136.93** (*consisting of \$166,993.45 shell rent, \$95,827.16 operating rent and \$36,316.32 tenant improvement allowance*) at the rate of **\$24,928.08** (\$299,136.93/12 months) per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be payable to:

**Q Street LTD
1224 Cottonwood Street
Woodland, CA 95695-4359**

4. **THIS PARAGRAPH IS INTENTIONALLY DELETED.**

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6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease. Rent is subject to adjustment in accordance with Paragraph 3.6, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 8CA3102 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
 - D. The following items should be included in the Lessor's shell cost:
 - 1) Replacement of shade trees in parking lot (all trees were previously removed).
 - 2) Re-pavement of the existing asphalt parking lot.
 - 3) Partial pavement of the existing gravel area for personnel parking and the remainder re-graveled for large equipment staging.
 - E. The following items shall be funded through the Lessor's provided tenant improvement allowance:
 - 1) Installation of a paved picnic area with a shade tree (location - in close proximity to where the garbage cans are currently located).
 - 2) Installation of an additional [REDACTED] to allow for ease of access for Government and employee vehicles (access will provide a loop for entering and exiting the parking lot).

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- A. The Solicitation For Offers Number 8CA3102 (pages 1-36) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - B. Amendment Number 1 (pages 1-2),
 - C. GSA Form 3517B (pages 1-33);
 - D. GSA Form 3518 (pages 1-7);
 - E. Sheet no. 1-2 containing Paragraphs 9-26;
 - F. Floor Plan (page 1).
8. The following changes were made in this lease prior to its execution:

Paragraphs 4 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 26 have been added.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: **Q STREET LTD, A CALIFORNIA LIMITED PARTNERSHIP**

BY:

Signature

Signature

IN PRESENCE OF:

Signature

Signature

UNITED STATES OF AMERICA: **GENERAL SERVICES ADMINISTRATION, Public Buildings Service:**

BY:

Signature
CONTRACTING OFFICER, GSA

9. **THIS PARAGRAPH IS INTENTIONALLY DELETED.**

10. **THIS PARAGRAPH IS INTENTIONALLY DELETED.**

11. The Lessor shall have sixty (60) calendar days from the receipt of the Government's Notice to Proceed to complete the shell and tenant improvements for the entire space. All items specified in the Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.

12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 16,753/ 20,488 rentable square feet (81.78 %).

13. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$5.70 per rentable square foot per annum.

14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$2.56 per ABOA per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs."

15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6, "Overtime Usage," upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$9.56 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to the GSA Building Manager to receive payment.

16. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$0.00 per hour after "Normal Hours".

17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.6, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance of \$100,000.00 (\$6.293266 x 15,890 ABOA sq.ft.) shall be amortized over the three (3) year firm term of the lease agreement at an interest rate (amortization rate) of 5.65% per year.

18. **THIS PARAGRAPH IS INTENTIONALLY DELETED.**

19. **ACCEPTANCE OF SPACE:**



A. The following subparagraph (C) is added to Paragraph 5.14 "Construction Schedule": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.

B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.

C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

20. **THIS PARAGRAPH IS INTENTIONALLY DELETED.**

21. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any improvements incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. If the Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.

Lessor  Government 

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02928:

22. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the word "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

23. **THIS PARAGRAPH IS INTENTIONALLY DELETED.**

24. **WAIVER OF RESTORATION:** The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

25. **COMMISSION AND COMMISSION CREDIT:**

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture 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:

First Month's Rental Payment **\$24,928.08** minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment **\$24,928.08** minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.


26. In accordance with SFO Paragraph 2.4.8.d, the following project development fees will be allowed in amounts not to exceed as specified below for Tenant Improvements and changes orders during the initial construction:

A. **General Conditions:** 0.00%

B. **General Contractors Fee:** 0.00%

C. **Architectural/ Engineering Fees:** \$0.00

D. **Lessor's Project Management Fees:** [REDACTED] of [REDACTED]

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