

LEASE NO. GS-09P-LCA03272

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

REDDING IMPERIAL LLC

(Lessor), whose principal place of business is 12675 Danielson Court, Suite 414, Poway, California 92064-6835, 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 or a portion of the Property located at

6640 LOCKHEED DRIVE, REDDING, CALIFORNIA 96002-9003

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 acceptance of the Premises as required by this Lease and continuing for a period of

[REDACTED] Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

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:

Name:

GLENN R. DUGAN JR.

Title:

MANAGER

Redding Imperial LLC

Date:

2/26/2015

FOR THE GOVERNMENT:

Name:

MERLIN E. NYGREN

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date:

3/5/2015

WITNESSED FOR THE LESSOR BY:

Name:

Michelle L. Snyder

Title:

Project Manager

Date:

2-26-15

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 (JUN 2012)

The Premises are described as follows:

- A. Office and Related Space: A total of 16,242 rentable square feet (RSF), yielding 11,063 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space; and 3,880 useable square feet of warehouse space, all located on the 1st floor of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. Common Area Factor: The Common Area Factor (CAF) is established as 8 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, 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: 110 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, its visitors and employees, of which 31 shall be secured surface/outside parking spaces for Government owned vehicles.
- 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.
- C. Wareyard: As part of the rental consideration, the Lessor shall provide 56,000 square feet of outside wareyard space contiguous to the warehouse, built out, lit, and fenced in accordance with requirements contained in this lease.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

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

	ANNUAL RENT
SHELL RENT ¹	\$389,645.58
TENANT IMPROVEMENTS RENT ²	\$60,420.24
OPERATING COSTS ³	\$38,818.38
TOTAL ANNUAL RENT	\$488,884.20

¹Shell rent calculation:

\$23.99 per RSF multiplied by 16,242 RSF

²The Tenant Improvement Allowance of \$46.03 is amortized at a rate of 7 percent per annum over 20 years.

³Operating Costs rent calculation: \$2.39 per RSF multiplied by 16,242 RSF

In instances where the Lessor amortizes either the TI 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 11,063 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. DELETED

D. DELETED

- 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 (with the exclusion of electric and gas), maintenance required for the proper operation of the Property, the Building, and the Leased 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. The Government shall be responsible for paying the cost of the electrical and gas utilities directly to the utility provider. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating, ventilation, and air conditioning requirements.

H. DELETED

1.04 DELETED

1.05 DELETED

1.06 DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN	1	A
PARKING PLAN	1	B
AGENCY SPECIFIC REQUIREMENTS (SHELL)	30	C
AGENCY SPECIFIC REQUIREMENTS (TENANT IMPROVEMENT)	TBD	D
SECURITY REQUIREMENTS LEVEL II	5	E
GSA FORM 3517B GENERAL CLAUSES	47	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	G
SEISMIC FORM C	1	H

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$46.03 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 7 percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA 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 lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA 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 allowance identified above, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEE (FLAT FEE-INCLUDES ENERGY STAR COMMISSIONING)	\$60,250.00
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	N/A
GENERAL CONDITIONS FEE (% OF TI ALLOWANCE)	3%
GENERAL CONTRACTOR FEE (% OF TI ALLOWANCE)	7%
DEVELOPER PROFIT/OH (% OF TI ALLOWANCE)	5%

1.11 DELETED

1.12 DELETED

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Tax Adjustment" paragraph of this Lease is 100 percent.

The parcel identification numbers for the premises occupied under this lease are APNS 054-640-005 and 054-640-008.

1.14 REAL ESTATE TAX BASE YEAR (SEP 2013)

The Real Estate Tax Base Year is defined in the "Tax Adjustment" paragraph of this Lease. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.15 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 \$2.39 per RSF (\$38,818.38/annum).

1.16 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 \$2.50 per ABOA and useable SF of space vacated by the Government.

1.17 DELETED

1.18 DELETED

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- A. FIRE Protection and Life Safety upgrades
- B. ABAAS upgrades
- C. The Lessor has committed on Seismic Form C (Exhibit H to this Lease) to meet all of the seismic requirements in this lease
- D. Energy efficiency upgrades for actions exempted from Energy Star label requirements

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. §125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.