

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

OCT 01 2011

LEASE NO. GS-09B-02769

THIS LEASE, made and entered into this date by and between **COASTAL CARE CENTERS, INC**

Whose address is **1122 SEARLES STREET
EUREKA, CA 95501-5612**

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:

A total of **1,000** rentable square feet (RSF) of office and related space, which yields **936** ANSI/BOMA Office Area square feet (USF) of space in an existing building at **Victoria Place Center, 3220 South Broadway Street, Suite A-10, Eureka, CA 95501-3854** to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are **two (2) reserved, surface** parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for fifteen (15) years, ten (10) years firm, subject to termination rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of **\$38,385.00** (\$38.39/RSF - \$41.01/USF) at the rate of **\$3,198.75** per month in arrears for years 1 - 10; and **\$43,346.16** (\$43.35/RSF - \$46.31/USF) at the rate of **\$3,612.18** per month arrears for years 11 - 15.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

**COASTAL CARE CENTERS, INC.
1122 SEARLES STREET
EUREKA, CA 95501-5612**

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10th) year by giving at least ninety (90) calendar days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

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

LESSOR: COASTAL CARE CENTERS, INC.

BY [Signature]
(Signature)

PRESIDENT
(Title)

IN PRESENCE OF
Jane M Alice
(Signature)

[Redacted]
(Address)

UNITED STATES OF AMERICA

BY [Signature]
(Signature)

Contracting Officer, General Services Administration
(Official Title)

5. PARAGRAPH 5 IS INTENTIONALLY DELETED.

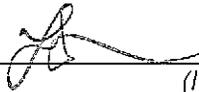
6. PARAGRAPH 6 IS INTENTIONALLY DELETED.

7. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9CA2970 dated 05/04/2010, as amended.
 - B. Build out in accordance with standards set forth in SFO 9CA2970 dated 05/04/2010, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
8. The following are attached and made a part hereof:
- A. Solicitation for Offers 9CA2970 dated 05/04/2010 (49 Pages);
 - B. Amendment 1 dated 09/23/2010 (2 Pages);
 - C. Amendment 2 dated 12/13/2010 (5 Pages);
 - D. Amendment 3 dated 02/03/2011 (1 Page);
 - E. Amendment 4 dated 06/06/2011 (1 Page);
 - F. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]) (33 Pages);
 - G. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 Pages);
 - H. Special Requirements: [REDACTED] Special Space Requirements – [REDACTED]
[REDACTED], Eureka, CA (22 Pages);
 - I. Floor Plan (Exhibit "A") (1 Page);
 - J. Ceiling Plan (Exhibit "B") (1 Page);
 - K. Site Plan (Exhibit "C") (1 Page).
9. The tenant build out will conform to the specifications of the Lease and all attachments, and will be provided by the Lessor as part of the total rental payment. In accordance with the SFO paragraph entitled, *Tenant Improvements Included in Offer*, the Lessor agrees to provide up to **\$44,114.00** toward the cost of the Tenant Improvements. The Tenant Improvement Allowance of **\$44,114.00** will be amortized for a period of **120 months** at the rate of **6.75%**. Therefore, the amortized tenant build out costs are **\$6,080.00** per annum.
10. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as **3.33%**.
11. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as **\$8.12/RSF** (\$8,120.00/annum).
12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as **1.07**(1,000 RSF/936 USF).
13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as **\$2.00/USF** for vacant space (rental reduction).
14. In accordance with SFO Paragraph entitled, *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire space or any portion thereof beyond the normal hours of operation of 7:00 AM to 5:00 PM Monday through Friday. Lessor will provide areas requiring 24/7 HVAC (LAN, etc.) at a rate of \$0.00.

LESSOR: COASTAL CARE CENTERS, INC

UNITED STATES OF AMERICA

BY


(Initial)

BY

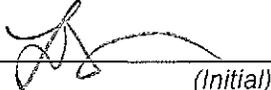

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15. The Lessor hereby forever and unconditionally waives any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this Lease or any extensions. Alterations completed by either the Government or Lessor including initial build out of the Lease space and/or any subsequent modifications required during the Lease period. At the Government's sole discretion, alterations will remain in the Lease space after termination of the Lease contract and will become property of the Lessor.
16. All questions pertaining to this Lease shall be referred in writing to the General Services Administration Contracting Officer or their designee. The Government occupant is not authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized in writing by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
17. Wherever the words "offeror" 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 words "space offered for Lease" appear in this Lease, they shall be deemed to mean "Leased premises."
18. This Lease, upon execution by the Government, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible too contradict the provisions of this Lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.
19. In accordance with SFO paragraph 2.5, Broker Commission and Commission Credit, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this Lease transaction. The Lessor and CBRE have agreed to a Lease commission of [REDACTED] of the Aggregate Lease Value for lease years 1-5 and [REDACTED] of the Aggregate Lease Value for lease years 6-10 ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon Lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured.
- First month's rental payment of **\$3,198.75** minus the prorated Commission Credit of [REDACTED] equals [REDACTED] (adjusted first month's rent).
- Second month's rental payment of **\$3,198.75** minus the prorated Commission Credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).
- Third month's rental payment of **\$3,198.75** minus the prorated Commission Credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).
- Forth month's rental payment of **\$3,198.75** minus the prorated Commission Credit of [REDACTED] equals [REDACTED] (adjusted forth month's rent).
20. In accordance with SFO Paragraph 3.2 B, 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: 5.00%
 - B. General Contractors Fee: 10.00%
 - C. Architectural/ Engineering Fees: \$1,500.00 flat fee
 - D. Lessor's Project Management Fees: 0.00%

LESSOR: COASTAL CARE CENTERS, INC.

UNITED STATES OF AMERICA

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