

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

JUN - 3 2011

LEASE No. **GS-09B-02795**

THIS LEASE, made and entered into this date between **B&T, LLC** a California limited liability company; whose physical address is: 1401 Shore Street, West Sacramento, California 95691-3512, and

whose mailing address is P.O. Box 735, West Sacramento, CA 95691-0735 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:

8,960 rentable square feet (r.s.f.), yielding approximately 8,756 ANSI/BOMA Office Area square feet and related space located on the 1st Floor in Suites B through E at 800 Business Park Drive, Dixon, California 95620-4309, together with 19,554 square feet of wareyard space to accommodate the Government's requirements for fifteen (15) reserved surface parking spaces, as well as dedicated space for Official Government vehicle and equipment storage, as depicted on the attached plan (Exhibit A) and (the "Premises") as depicted in the attached floor plan (Exhibit B), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION. The Government shall be entitled to use the wareyard 24 hours a day, 7 days a week without further conditions; including overnight.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years beginning upon the substantial completion of the space and acceptance by the Government as satisfactorily complete. The commencement date of this lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Supplemental Lease Agreement upon substantial completion and acceptance of the space by the Government. The lease term is for ten (10) years, five (5) years firm, subject to termination and renewal rights as may be hereinafter set forth.

3. **PARAGRAPH 3 IS INTENTIONALLY OMITTED.**

4. The Government may terminate this lease in whole or in part effective any time on or after the fifth (5th) year of this lease giving at least ninety (90) calendar days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. **PARAGRAPH 5 IS INTENTIONALLY OMITTED.**

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 and the Government's approved Design Intent Drawings. Rent is subject to adjustment in accordance with Paragraph 3.3, "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. 5CA0667 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.

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 5CA0667 (all pages) (all references to SFO shall also refer to any Special Requirements and Amendments); ✓
- b) Special Requirements (all pages); ✓
- c) Amendment Number 1 (pages 1); ✓

- d) Amendment Number 2 (page 1); ✓
- e) Amendment Number 3 (page 1); ✓
- f) GSA Form 3517A (pages 1-2); ✓
- g) GSA Form 3518 (pages 1-8); ✓
- h) Paragraphs 9-27; ✓
- i) Floor Plan (Exhibit "A", page 1); ✓
- j) Site Plan (Exhibit "B", page 1). ✓

8. The following changes were made in this lease prior to its execution:

Paragraphs 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 27 have been added.

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

LESSOR: B&T, LLC

BY

W. H. Murphy III 5/18/11
(Signature)

William W. Murphy 5/18/11
(Signature)

IN PRESENCE OF:

Cindy Murphy
(Signature)

[REDACTED]
(Address)

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

BY

Merlin Nygren
MERLIN NYGREN, CONTRACTING OFFICER

15. **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 \$2.00 per ANSI/BOMA Office Area square foot, or approximately \$2,400.00 per year. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 650 Capitol Mall, Room 8-100, Sacramento, California 95814-4708, to receive payment
16. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance is hereby established as \$35.35 per ANSI/BOMA Office Area square foot. The maximum Tenant Improvement Allowance of \$309,524.60 shall be amortized over the five (5) year firm term of the lease agreement at an interest rate (amortization rate) of 7% per year.
17. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. If Lessor is preparing the Design Intent Drawings, then Lessor shall submit to the Government a budget proposal together with the Design Intent Drawings in accordance with SFO Paragraph 5.11 (B), "Design Intent Drawings." The budget proposal must be submitted in Construction Specification Institute (CSI) Format.
 - B. The price proposal required to be provided by Lessor in SFO Paragraph 5.11 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.11, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
 - C. Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
 - D. The construction schedule required in Paragraph 5.11 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.
 - E. In addition to the submission requirements specified under Paragraph 5.11, "Construction Schedule and Acceptance of Tenant Improvements", Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 10 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.
18. **INSPECTION OF PREMISES:**
- A. The Lessor shall notify the Government ten (10) calendar days in advance of the anticipated substantial completion date as defined in Paragraph 1 of the GSA Form 3517. Within ten (10) working days after the date the Lessor notifies the Government that the space is "substantially complete," the Government shall inspect the Premises and appurtenances. Within five (5) working days after the inspection, the Government shall notify the Lessor of any deficiencies in the Premises and appurtenances and the Lessor shall thereafter diligently pursue remedying any defects. If any subsequent Government inspection is required to confirm conformance with the results of a prior inspection, any such subsequent inspection and notification of the results of such inspection shall be made in accordance with the foregoing procedure and the time frames.
 - B. The period during which rent shall be deemed to have commenced for the Premises shall be the date that the entire space is accepted for occupancy by the Government (or the date accepted for occupancy, subject to completion of a written punchlist of items not materially affecting beneficial occupancy which are yet to be finished.) The space will not be considered acceptable for occupancy until the Government receives the final tenant improvement costs breakdown package (subject to review by the Government) and the formal Certificate of Occupancy. Any items to be completed or corrected that have been identified at the acceptance of the space as a punchlist item and which do not affect beneficial occupancy shall be completed by the Lessor within thirty (30) calendar days of acceptance.
 - C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor

Initials: *Pink* & *ME*
 Lessor Government

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 \$20,323.09 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.
- Second Month's Rental Payment \$20,323.09 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

25. **PROGRESS REPORTS:** Pursuant to Paragraph 5.11, Progress Reports, during design & construction, the Lessor shall submit to the GSA Contracting Officer, written progress reports at intervals of fourteen (14) calendar days. Each report shall include information as to 1) percentage of the work completed by phase and trade; 2) a statement as to expected completion and occupancy date; 3) changes introduced into the work; and 4) general remarks on such items as material shortages, strikes, weather, etc. In addition, after lease award, the Lessor shall conduct meetings every two (2) week(s) to brief Government personnel and contractors regarding the progress of design and construction of the Government-demised area. **The Lessor shall be solely responsible for taking and distributing minutes (based on the Government-approved format to be provided by the GSA Construction Manager) of these meetings, with review and approval by the GSA Contracting Officer.** Such meetings shall be held telephonically and at locations to be designated by the Government.

26. **TENANT IMPROVEMENT FEE SCHEDULE:**

The following fee schedule shall be applied to the Tenant Improvement costs paid by the Government.

1. General Conditions* shall not exceed [REDACTED] of the Tenant Improvement Allowance.
2. General Contractor's fee shall not exceed [REDACTED] of the Tenant Improvement Allowance;
3. Lessor's Project Management fee shall not exceed [REDACTED] of the Tenant Improvement Allowance;
4. Architectural Fees owed by the Government shall not exceed a [REDACTED] flat fee.

27. Claims arising out of the negligent or wrongful act or omission of a Federal employee while acting in the scope of his or her employment are processed in accordance with the procedures outlined in the Federal Tort Claims Act, 28 U.S.C. § 2671-2680 ("FTCA"). Section 2675 of this Act specifies the covered torts, and provides generally that in those areas the Government is liable to the same extent as a private person under state law, and under the same circumstances. The FTCA authorizes Federal agencies to consider, ascertain, adjust, determine, compromise and settle any claim for money damages against the United States for injury or loss of property, personal injury, or death caused by the negligence of a Federal agency employee.

*NOTE: General Contractor's superintendent is a line item cost and not considered part of "General Conditions".

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