

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: **APR 28 2011**

LEASE No. **GS-09B-02650**

THIS LEASE, made and entered into this date between **ROBERT AND DAWN BAIRD FAMILY TRUST**, acting by and through **ROBERT G BAIRD** or **DAWN K BAIRD**

whose physical address is: [REDACTED]

whose mailing address is: P.O. Box 333, Canby, California 96015-0333;

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:
22,017 rentable square feet (rsf), yielding approximately 22,017 ANSI/BOMA Office Area square feet and related space, in the building located at 200 West 8th Street, Alturas, California, 96101-3203, together with forty (40) surface parking spaces, all as shown on the attached Floor Plan (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. *PARAGRAPH 2 IS INTENTIONALLY OMITTED.*
3. The Government shall pay the Lessor, upon establishment of beneficial occupancy, annual rent of \$530,610.00 at the rate of \$44,217.50 per month in arrears for years 1 through 10 and annual rent of \$560,610.00 at the rate of \$46,717.50.00 per month in arrears for years 11 through 15. Rent for a lesser period shall be prorated. Rent shall be paid through Electronic Funds Transfer and payable to:

ROBERT AND DAWN BAIRD FAMILY TRUST, acting by and through ROBERT G BAIRD or DAWN K BAIRD
P.O. BOX 333
CANBY, CA 96015-0333
4. The Government may terminate this lease, in whole or in part, effective at any time after the tenth (10th) year of this lease by 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. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 8CA2845 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.

RSB DKB
MB

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) Solicitation For Offers Number 8CA2845 (pages 1-50)(all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Amendment #1 (1 page);
- c) Amendment #2 (1 page);
- d) Amendment #3 (pages 1-9);
- e) Special Requirements (pages 1-11);
- f) GSA Form 3517 (pages 1-2, General Clauses);
- g) GSA Form 3518 (pages 1-8, Representations and Certifications);
- h) Sheets no. 1-2 containing Paragraphs 9-22;
- i) Floor Plan (Exhibit "A", 1 page);

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

Paragraphs 2 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 22 have been added.

This document will not constitute a payment obligation until the date of execution by the Government. As a result, even though payments will be made retroactively, no monies whatsoever are due under this agreement until thirty (30) calendar days after the date of execution by the Government.

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

LESSOR ROBERT AND DAWN BAIRD FAMILY TRUST

DAWN K BAIRD

(Signature)

(Signature)

HC 3 Box 7 ALTURA CA
(Address) 940101

GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

R.E. NYGREN

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following fifteen (15) year term in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.
10. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment," for purposes of tax escalation, the Government occupies 22,017/22,017 rentable square feet (100%).
11. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$6.76 per rentable square foot per annum.
12. **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 \$1.08 per rentable square foot per annum for operating expenses.
13. **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 AM – 5:00 PM, Monday through Friday, except Federal Holidays ("Normal Hours")), at a rate of \$15.00 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 GSA Building Manager or designee located at 650 Capitol Mall, Room 8-100, and Sacramento, California 95814-4708, to receive payment. Failure to submit a proper invoice within 120 calendar days of the due date shall constitute a waiver of the Lessor's right to receive payment under this lease.
14. **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 \$1,500.00 annually. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 650 Capitol Mall, Room 8-100, and Sacramento, California 95814-4708, to receive payment. Failure to submit a proper invoice within 120 calendar days of the due date shall constitute a waiver of the Lessor's right to receive payment under this lease.
15. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance is hereby established as \$1,037,661.20. This amount shall be amortized over 120 months at an interest rate (amortization rate) of 4.6% per year, payable monthly, in arrears, at an annual cost of \$129,651.00. This amount is included in the rent stated in Paragraph 3 of this lease.
16. **ACCEPTANCE OF SPACE:**
 - A. The following is added to Paragraph 5.14G (1), "Acceptance of Space and Certificate of Occupancy": 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 punch list items to be completed or corrected 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 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.
17. **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 cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

Initials: RSB WKB & MB
 Lessor Government

18. 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 words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".
19. **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.

20. **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 \$44,217.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's rent.

Second Month's Rental Payment \$44,217.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's rent.

Third Month's Rental Payment \$44,217.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's rent.

Fourth Month's Rental Payment \$44,217.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's rent.

21. **OFFEROR'S TENANT IMPROVEMENT FEE SCHEDULE:**

This fee schedule will be applicable for Tenant Improvements, Building-Specific Security, and change orders during initial construction: General Contractor's fee will be 10 percent of Total Subcontractors Costs estimated to be agency tenant improvement allowance. Architectural/Engineering fees will be a flat fee of \$75,000.00.

22. **ESTIMATED DELAY COSTS:**

In case of failure on the part of the Government to complete the work within the time fixed in the lease contract, the Government shall pay the Lessor as fixed and agreed liquidated damages, pursuant to this paragraph the sum of \$4,800.00 a day for each and every calendar day that the delivery is delayed (pre- construction) and \$4,800.00 a day for each and every calendar day that the delivery is delayed (during construction) beyond the date specified for delivery of all the space ready for occupancy by the Lessor. This remedy is not exclusive and is in addition to any other remedies which may be available under this lease or at law. This liquidated sum is not meant as a penalty, but as an approximation of actual damages that would be suffered by the Lessor as a result of the Government's delay.

Initials: DKB & [Signature]
Lessor Government