

# LEASE NO. GS-09B-03051

Standard Lease  
GSA FORM L201C (October 2012)

This Lease is made and entered into between

**Baltara Enterprises L.P.**

(Lessor), whose principal place of business is 2025 N. GATEWAY BLVD STE 101  
FRESNO, CA, 93727-1619, 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

1255 Fulton Mall, Fresno, CA 93721 *WR*

and more fully described in Section 1 and Exhibit A and Exhibit B, 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

**15 Years, 10 Years 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

Name: William Dyck  
Title: President  
Entity Name: Baltara Enterprises LP  
Date: 2/23/13

Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: 2/27/2013

WITNESSED FOR THE LESSOR BY:

Name: William Dyck  
Title: Witness  
Date: 2/23/2013

## 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: **27,955** rentable square feet (RSF), yielding **23,700** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **1<sup>st</sup> and 2<sup>nd</sup>** floors 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 **17.95** 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 (JUN 2012)

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: The Government requires 158 parking spaces to be commercially available within ¼ walkable mile of the leased property. The Government requires 17 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 17 shall be structured/inside parking spaces, and 0 shall be surface/outside parking spaces. Government parking areas or spaces shall be assigned and marked as "reserved." The Government shall have the exclusive use of the secured parking lot shown in Exhibit B. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Control of Parking Areas: The Lessor shall permit Government security control over all parking areas, surface or structured. Security control will include the right to inspect at points of entry, the right to deny access, and the right to remove vehicles from the premises. The Lessor shall provide a vehicle pass/ID system for contract/monthly parkers, acceptable to the Government.
- C. Public accessibility to official Government vehicles shall be limited through fencing or other means.
- D. Inspection of Parking Areas: The Government reserves the right at all times, to inspect the parking premises, all vehicles therein, and to remove vehicles from the premises.
- E. Post Signs and Arrange for Towing of Unauthorized Vehicles: Signage shall be provided by the Lessor, acceptable to the Government, to alert parking patrons of inspection and towing policies. Signage shall advise that the removal of unauthorized vehicles can be expected.

### 1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

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

	YEARS 1 - 5		YEARS 6 - 10	
	ANNUAL RENT	ANNUAL RATE/RSF <sup>3</sup>	ANNUAL RENT	ANNUAL RATE/RSF <sup>3</sup>
SHELL RENTAL RATE	\$530,865.45	\$18.99 <sup>3</sup>	\$583,952.00	\$20.89 <sup>3</sup>
TENANT IMPROVEMENTS RENTAL RATE <sup>1</sup>	\$187,263.53	\$6.70 <sup>3</sup>	\$187,263.53	\$6.70 <sup>3</sup>
OPERATING COSTS	\$129,990.75	\$4.65	\$129,990.75	\$4.65
BUILDING SPECIFIC SECURITY COSTS <sup>2</sup>	\$20,899.52	\$0.75 <sup>3</sup>	\$20,899.52	\$0.75 <sup>3</sup>
FULL SERVICE RATE	\$869,019.25	\$31.09 <sup>3</sup>	\$922,105.80	\$32.99 <sup>3</sup>

<sup>1</sup> The Tenant Improvements Allowance is amortized at a rate of 7 percent per annum for 10 years.

<sup>2</sup> Building Specific Amortized Capital (BSAC) is amortized at a rate of 7 percent per annum over 10 years.

<sup>3</sup> Rates may be rounded.



	YEARS 11 - 15	
	ANNUAL RENT	ANNUAL RATE/RSF <sup>3</sup>
SHELL RENTAL RATE	\$642,347.19	\$22.98 <sup>3</sup>
TENANT IMPROVEMENTS RENTAL RATE*	\$0.00	\$0.00
OPERATING COSTS*	\$129,990.75	\$4.65
BUILDING SPECIFIC SECURITY COSTS	\$0.00	\$0.00
FULL SERVICE RATE	\$772,337.94	\$27.63 <sup>3</sup>

<sup>1</sup> The Tenant Improvements Allowance is amortized at a rate of 7 percent per annum for 10 years.

<sup>2</sup> Building Specific Amortized Capital (BSAC) is amortized at a rate of 7 percent per annum over 10 years.

<sup>3</sup> Rates may be rounded.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 23,716 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

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). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

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, and maintenance required for the proper operation of the Property, the Building, and the 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.

H. Parking shall be included in the rent at no additional cost.

#### 1.04 INTENTIONALLY DELETED

#### 1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

#### 1.06 INTENTIONALLY DELETED

#### 1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING PLAN(S)	1	B
SECURITY REQUIREMENTS	5	C
████████ FRESNO SPACE REQUIREMENTS	3	D
GSA FORM 3517B GENERAL CLAUSES	46	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	F
████████ SPECIAL REQUIREMENTS	39	G
████████ STRUCTURED CABLE PLANT STANDARD	66	H
████████ COMPUTER AND TELEPHONE ROOM STANDARD	10	I
████████ AV STANDARDS	16	J

If there is a discrepancy between this lease document and Exhibit G, H, I, or J, the exhibits will take precedence.

#### 1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$56.71** 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 (AUG 2011)

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 shall have the right to either:

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. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.

#### 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 FEES ( \$ PER ABOA SF)	<b>\$2.00</b>
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	<b>2%</b>
GENERAL CONDITIONS (% OF TI CONSTRUCTION COSTS)	<b>4%</b>
GENERAL CONTRACTORS FEE (% OF TI CONSTRUCTION COSTS)	<b>5%</b>

#### 1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$150,000.00**. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 7 percent.

#### 1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC 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 BSAC identified above, the Government shall have the right to either:
1. Reduce the security countermeasure requirements;
  2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
  3. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.

**1.13 INTENTIONALLY DELETED**

**1.14 INTENTIONALLY DELETED**

**1.15 OPERATING COST BASE (AUG 2011)**

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$4.65** per RSF (**\$129,990.75/annum**).

**1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)**

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 leased 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 **\$4.64** per ABOA SF of Space vacated by the Government.

**1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)**

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- **\$0.00** per hour per zone
- **\$0.00** per hour for the entire Space.

**1.18 24-HOUR HVAC REQUIREMENT (APR 2011)**

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of **\$0.00** per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

**1.19 BUILDING IMPROVEMENTS (SEP 2012)**

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete all necessary upgrades to meet the building shell standards as specified throughout this lease contract. Further, Lessor acknowledges that the test fit layout provided during the procurement phase was used to demonstrate that the [REDACTED] program of requirements would fit in the offered space of the proposed building, and does not demonstrate the final design intent of the tenant agency. The test fit is subject to change at Lessor's sole expense during the DID production phase based upon the direction of the tenant agency.

**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.

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## **SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS**

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**2.01 DEFINITIONS AND GENERAL TERMS (JUN 2012)**

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. Appurtenant Areas. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.