

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

APR 14 2011

LEASE NO.

GS-10B-07226

BLDG NO.

OR6737

THIS LEASE, made and entered into this date by and between JACKSON COUNTY

Whose address is 1000 TERMINAL LOOP PARKWAY, SUITE 201
MEDFORD, OREGON 97504-4155

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 4,135 rentable square feet (RSF) of office and related space, which yields 4,135 ANSI/BOMA Office Area square feet (ABOA) of space at 1030 Terminal Loop Parkway, Medford, Oregon 97504-4218, together with five (5) surface parking spaces provided at no cost to the Government, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. LEASE TERM:

To have and to hold the said premises with their appurtenances for the term of ten (10) years beginning upon Beneficial Occupancy by the Government, subject to termination and renewal rights hereinafter set forth.

3. RENTAL RATE:

The Government shall pay the Lessor annual rent per the table below, per month in arrears. Rent for a lesser period shall be prorated.

	Shell Rental Rate	Tenant Improvement	Building Specific Security	Operating Cost Base	Total Annual Rent
Years 1-5	\$67,979.40	\$41,225.62	\$1,662.26	\$25,637.00	\$136,504.28
Years 6-10	\$75,050.25	\$0.00	\$0.00	\$25,637.00	\$100,687.25

Rent checks shall be made payable to:

JACKSON COUNTY
10 S OAKDALE
MEDFORD, OR 97501-3186

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

LESSOR: JACKSON COUNTY

BY _____

DANNY JORDAN
County Administrator
(Title)

IN PRESENCE OF _____

UNITED STATES OF AMERICA

BY _____

LINDSEY D. SNOW
CONTRACTING OFFICER
Contracting Officer, General Services Administration
(Official Title)

4. TERMINATION RIGHTS:

- A. The Government may terminate this lease at any time on or after the five (5) year anniversary of the beneficial occupancy date by giving 120 days 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.
- B. The Government reserves the right to terminate the lease by giving 120 days notice in writing to the Lessor at any point during the term of the lease, including the firm term, in the event that the Federal Government cancels its mandate that [REDACTED] provide security services at Rogue Valley International-Medford Airport. Said notice shall be computed commencing with the day after the date of mailing.
- C. This lease shall be subject to the provisions of any existing or future agreement between the Jackson County and the United States relative to the operation or maintenance of the Airport, the execution of which has been or may be required as a condition precedent to the expenditure of federal funds for the development of the Airport. Provided however, if the Lessee's interest in the Premises is adversely impacted by any such future agreement between the Jackson County and the United States, then Lessee shall be entitled to reasonable compensation for its actual damages resulting therefrom.

5. RENEWAL OPTIONS:

The Government may renew this Lease for two (2) five (5) year option periods provided notice is given in writing to the Lessor at least sixty (60) days before the end of the lease term. Said notice shall be computed commencing with the day after the date of mailing. All other terms and conditions of this lease shall remain the same during any renewal term. The Government shall pay the Lessor shell rent for the renewal periods as outlined below, per month in arrears. Rent for a lesser period shall be prorated.

Renewal Option 1: Years 11-15 – Annual Shell Rental Rate \$82,865.40

Renewal Option 2: Years 16-20 – Annual Shell Rental Rate \$91,507.55

The operating cost base for the option period is established in Paragraph 12 of this SF2 and will continue to be adjusted during the option periods. The annual rate for the option periods will be determined by the shell rate stated in this paragraph plus the operating rate at the time of renewal.

MJ
(Lessor Initials)

RS
(Government Initials)

6. THE LESSOR SHALL FURNISH TO THE GOVERNMENT, AS PART OF THE RENTAL CONSIDERATION, THE FOLLOWING:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9OR2031 as amended December 17, 2010.
 - B. Build out in accordance with standards set forth in SFO 9OR2031 as amended December 17, 2010, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations are to be completed within 90 days from the date that the Lessor receives a notice to proceed with construction, in writing, from the contracting officer. The Lease term is effective on date of beneficial occupancy, which will be established in a forthcoming Supplemental Lease Agreement.
 - C. Deviations from the approved design intent drawings will not be permitted unless prior written authorization, in the form of a Change Order, is obtained from the GSA Contracting Officer.
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:

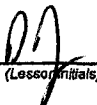
- A. Solicitation for Offers 9OR2031 as amended December 17, 2010 (pages 1 – 53) (all references to SFO shall also refer to any Special Requirements and Amendments);
 - B. Agency Special Requirements (pages 1 – 44);
 - C. Security Unit Price List dated December 17, 2010 (pages 1 – 3);
 - D. Amendment Number 1 dated September 1, 2010 (page 1);
 - E. Amendment Number 2 dated October 15, 2010 (page 1);
 - F. Amendment Number 3 dated December 17, 2010 (pages 1 – 2);
 - G. GSA Form 3517 entitled GENERAL CLAUSES Rev. [11/05] (pages 1 – 33);
 - H. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS Rev. [1/07] (pages 1 – 7);
 - I. Floor plan (page 1);
 - J. GSA Form 1217 (pages 1 – 2)
8. TENANT IMPROVEMENT ALLOWANCE:

The Tenant Improvement Allowance has been established by Paragraph 3.2 of the SFO, "Tenant Improvement Included in Offer." The Tenant Improvement Allowance in the total amount of \$180,947.60 (4,135 ABOA x \$43.76) shall be amortized over the firm term of the lease (five (5) years) at an annual interest rate of 5.25%. The annual amount due for amortized Tenant Improvements is \$41,225.62.

9. TENANT IMPROVEMENT FEES SCHEDULE:

The Lessor's tenant improvement fee schedule is outlined as follows:

- A. The General conditions will not exceed 10.0% of the total subcontractor's costs.
- B. The General Contractor's fee will not exceed 9.0% of the total subcontractor's costs and General Conditions.
- C. The Architectural/Engineering fees will not exceed 9.0% of General Contractor's Total Cost.
- D. The Lessor's Project Management fee will not exceed 5.0% of the total of General Contractor's Total Cost and other associated costs.


(Lessor Initials)


(Government Initials)

10. BUILDING SPECIFIC SECURITY:

Building Specific Security costs in the total amount of \$7,296.00 shall be amortized over the firm term of the lease (five (5) years) at the rate of 5.25%. The annual amount due for amortized Building Specific Security is \$1,662.26.

11. PERCENTAGE OF OCCUPANCY:

In accordance with the SFO Paragraph 4.2.B.9, entitled Percentage of Occupancy, the percentage of Government occupancy is established as 88.22% (4,135/4,687) and the property is a portion of 372W12A, Tax Lot 100.

12. OPERATING COSTS BASE:

In accordance with the SFO Paragraph 4.3.A entitled Operating Costs, the escalation base is established as \$25,637.00/annum.

13. ADJUSTMENT FOR VACANT PREMISES:

In accordance with the SFO Paragraph 4.4 entitled Adjustment for Vacant Premises, the adjustment is established as \$2.07/ABOA for vacant space (rental reduction).

14. OVERTIME HVAC USAGE:


In accordance with the SFO Paragraph 4.6 entitled Overtime Usage, overtime HVAC shall be provided at no additional cost to the Government.

15. ADJUSTMENT OF FINAL SQUARE FOOTAGE:

The Government reserves the right to adjust the final square footage after receipt and approval of CAD drawings and final site acceptance of the premises. Any adjustments, including those for agreed upon square footage and annual rent shall be documented by Supplemental Lease Agreement.

16. TERMS AND CONDITIONS:

All terms and conditions of this lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the parties prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.



(Lessor Initials)



(Government Initials)