

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

BAS #

DATE OF LEASE JULY 9, 2010

LEASE NO. GS-10B-07171

ID 4835

ID4885

THIS LEASE, made and entered into this date by and between **Harris, Inc**

whose address is 4555 Burley Drive
Pocatello, Idaho 83202

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 7,222 rentable square feet (RSF) of office and related space, which yields 7,067 ANSI/BOMA Office Area square feet (USF) of space on the first (1st) floor of the building located at Corner of Jefferson and Alameda Avenue 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 thirty-two (32) parking spaces as per local code for the 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, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government substantially complete no later than one hundred-twenty (120) calendar days subsequent to the Government's approval of design intent drawings.

3. The Government shall pay the Lessor monthly in arrears in accordance with the following table:

- A. For years one (1) through ten (10) an annual rent of \$171,594.72 at a rate of \$14,299.56 per month in arrears.
- B. For years eleven (11) through fifteen (15) an annual rent of \$146,534.38 at a rate of \$12,211.20 per month in arrears.

Rent shall be adjusted in accordance with the provisions of the Solicitation for Offers and General Clauses. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

AA Builders/ Harris Inc.
4555 Burley Drive, Suite B
Pocatello, Idaho 83202-1945

4. The Government may terminate this lease in whole or in part at any time after the tenth (10th) year by giving at least one hundred-twenty (120) 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.

LESSOR

SIGNATURE

Scott Harris

NAME OF SIGNER

Scott Harris

ADDRESS

4555 Burley Dr Pocatello, Idaho 83202

IN THE PRESENCE OF (SIGNATURE)

NAME OF SIGNER

Brittne Russum

UNITED STATES OF AMERICA

SIGNATURE

Scott M. Matson

NAME OF SIGNER

Scott M. Matson

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

5. There are no renewal options in this lease.
6. 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 8ID2003 dated 06/22/2009, as amended.
 - B. Build out in accordance with standards set forth in SFO 8ID2003 dated 06/22/2009, as amended, and the Government's design intent drawings. The Government's design intent drawings shall be developed subsequent to award.
 - C. Deviations to the Government's design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. The following are attached and made a part hereof:
 - A. Solicitation for Offers 8ID2003, dated 06/22/2009 (all references to SFO shall also refer to any Special Requirements and Amendments) - (50-pages);
 - B. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) - (33-pages);
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) - (7-pages);
 - D. Special Requirements: [REDACTED] Special Space Specifications and Requirements (10-27-2007) - (14-pages);
 - E. Special Requirements: [REDACTED] Intelligent Workstation/ Local Area Network (IWS/ LAN) Requirements for Site Preparation in Field Offices (05-01-2006) - (19-pages);
 - F. Special Requirements: American National Standard for Power Assist and Low Energy Power Operated Doors (ANSI/BHMA A156.19-1997) - (9-pages);
 - G. Special Requirements: Zephyr Fans - (3-pages);
 - H. Special Requirements: Specification for [REDACTED] (03-01-2009) - (34-pages);
 - I. Special Requirements: (L) 1200/ (L) 1300 (A, D, C, F) Series Pannex Installation Instructions - (3-pages);
 - J. Special Requirements: [REDACTED] (Lever) - Technical Specifications - (3-pages);
 - K. Site Plan (Exhibit "A");
8. Rent includes a Tenant Improvement Allowance of \$269,989.00 to be amortized through the rent over the firm term of the Lease (120 months) at the rate of 6.00%. In accordance with SFO paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
9. Rent includes Building Specific Security Costs of \$6,000.00 to be amortized through the rent over the firm term of the Lease (120 months) at the rate of 7.00%.
10. In accordance with SFO paragraph 2.3, *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 cooperating lease commission of [REDACTED] of the firm term value of this lease ("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 2.3, 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 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 until the credit has been fully recaptured.

First month's rental payment of \$14,299.56 minus the prorated commission credit of [REDACTED] equals [REDACTED] adjusted first month's rent.

Second month's rental payment of \$14,299.56 minus the prorated commission credit of [REDACTED] equals [REDACTED] adjusted second month's rent.

Third month's rental payment of \$14,299.56 minus the prorated commission credit of [REDACTED] equals [REDACTED] adjusted third month's rent.

11. In accordance with SFO 8ID2003 paragraph 4.1, *Measurement of Space*, the common area factor is established as 2.19% (7,222 RSF / 7,067 USF).
12. In accordance with SFO 8ID2003 paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 89.60%.
13. In accordance with SFO 8ID2003 paragraph 4.3, *Operating Costs Base*, the escalation base is established as \$20,582.70 (\$2.85 RSF per annum X 7,222 RSF) per annum.
14. In accordance with SFO 8ID2003 paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$0.10/USF for vacant space (rental reduction).
15. In accordance with SFO 8ID2003 Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$2.95/ hour beyond the normal hours of operation of 8:00 AM to 5:30 PM.
16. 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 leased space after termination of the Lease contract and will become property of the Lessor.
17. If, during the term of this lease including extensions, title to this property is transferred to another party either by sale, foreclosure, condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany this notification:
 - A. A certified copy of the deed transferring title to the property from the Lessor to the new owner.
 - B. A letter from the new owner assuming, approving, and agreeing to be bound by the terms of this lease.
 - C. A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of the transfer.
 - D. The new owner's tax identification number (TIN#) or social security number.
 - E. The new owner's DUNS#
 - F. The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all parties fully. If a limited partnership, list all general partners and identify under the laws of which state the limited partnership is created. If a realty trust, give names of all trustees and the recording date of the trust.
 - G. A Novation Agreement.
 - H. The new owner must provide a new GSA Form 3518.

The foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of the transfer will be processed to the Lessor. Initial rental payment, including the applicable portion of rent for the month during which the transfer occurred, to the new owner will be processed on the first day of the month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of the month (or later), in which the transfer of title will be affected, the full contract rental for that month will be forwarded to the Lessor. In any instance, failure to submit the documentation required for transfer of title will result in a stop payment of rent until such time as all documentation is received by the Contracting Officer.

18. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of federal agencies other than the Contracting Officer or employees of the U.S. General Services Administration authorized by the Contracting Officer.
19. Within 5 days of lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be taken care of immediately.
20. [REDACTED] shall be provided by the Lessor in accordance with SFO 8ID2003 paragraph 10.19, *Security Design Criteria*, [REDACTED]. The cost is included in the shell rate.