

# U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE 01-20-2012

LEASE NO.

GS-08P-14639

THIS LEASE, made and entered into this date by and between Durango Threadworks, Inc

Whose address is 2565 County Road 250, Durango, CO 81301-8566

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:

- The Lessor hereby leases to the Government the following described premises:
  - A total of 8,900 rentable square feet (RSF) of office and related space, which yields 7,800 ANSI/BOMA Office Area square feet (USF) of space at:

Durango Threadworks Building, 185 Suttle Street, Suite 2, Durango, CO 81303-7911

as indicated on the attached Floor Plan, 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 5 RESERVED AND 31 UN-RESERVED parking spaces for exclusive use of the Government employees and patrons AND are included in the rent.
  - The common area factor for the leased premises occupied by the Government is established as 1.141025641 (8,900 RSF / 7,800 ABOA).
  - The leased premises occupied by the Government for real estate tax adjustments is established as 49.57% (see also "Percentage Occupancy" paragraph of the lease).
- TO HAVE AND TO HOLD the said premises with their appurtenances for a term of 10 YEARS, (5) FIVE YEARS FIRM beginning upon the substantial completion of the space, and acceptance by the Government as satisfactorily complete. Design and construction of the space shall begin upon award of this lease in conformance with the Construction Schedule of Tenant Improvements paragraph of the attached Solicitation for Offers. The commencement date of this lease shall more specifically be set forth in a Supplemental Lease Agreement upon substantial completion and acceptance of the space by the Government.

- The Government shall pay the Lessor annual rent according to the rent schedule below:

Year/s	SF	Shell	psf	Operating Expenses**	psf	Taxes***	psf	Tenant Improvements*	psf	Total Annual Rent	psf	Monthly Rent
1-5	8,900	\$133,277.28	\$14.97	\$50,819.00	\$5.71	\$10,477.00	\$1.18	\$9,325.72	\$1.05	\$203,920.86	\$22.91	\$16,993.41
6-10	8,900	\$165,753.28	\$18.62	\$50,819.00	\$5.71	\$10,477.00	\$1.18	\$9,325.72	\$1.05	\$236,400.61	\$26.56	\$19,700.04

\*The Tenant Improvements Allowance is amortized at a rate of 6.00% per annum for 10 years.

\*\* Operating Expenses subject to CPI adjustment per the SFO.

\*\*\* Taxes subject to adjustment per the SFO.

\*\*\*\*Per square foot (psf) rates are approximate.

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

LESSOR

SIGNATURE Robert A. Lieb NAME OF SIGNER ROBERT A. LIEB

ADDRESS 2565 COUNTY ROAD 250, DURANGO, CO 81301

IN THE PRESENCE OF (SIGNATURE) [Signature] NAME OF SIGNER GREG SPITLER

UNITED STATES OF AMERICA

SIGNATURE [Signature] NAME OF SIGNER Kevin G. [Signature]  
OFFICIAL TITLE OF SIGNER Lease Contracting Officer

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STANDARD FORM 2 (REV. 12/2006)

Accumulated operating cost adjustments will (CPI) be included in the stated per annum rates at the time they become effective. Rent for a lesser period shall be prorated. Rent checks shall be made via electronic payment to:

Durango Threadworks, Inc  
2665 County Road 250  
Durango, CO 81301-8566

4. The Government may terminate this lease in whole or in part at any time after the 5 year firm term by giving at least 120 days notice in writing to the Lessor, and no rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. The Lessor shall furnish to the Government, as part to the rental consideration, the following:  
Those tenant improvements, facilities, services, supplies, utilities, and maintenance in accordance with SFO 0CO2308 dated 08/17/2011. (48 pages)
6. The following are attached and made a part hereof:  
X - A. Standard Form 2 continuation pages 3;  
X - B. Schedule of Rent Components 1 page;  
X - C. Solicitation for Offers 0CO2308 dated 08/17/2011, 48 pages;  
X - D. [REDACTED] Agency Specific Requirements and Schematic, 5 pages;  
X - E. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05) 2 pages;  
X - F. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07), 7 pages;  
X - G. Deed and Legal Description of the Leased Property, 1 page;  
X - H. Existing Floor Plan and Proposed, 1 page;  
X - I. Letter from [REDACTED] addressing Paragraph 8.3 - Energy Efficiency and Conservation (September 2010) of SFO 0CO2308
7. In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, Tenant Improvements in the total amount of \$70,000.00 (8,900 RSF x \$7.87) are amortized over ten (10) years at the rate of 6.00%. The amortized cost of these improvements is included in the stated rent in Paragraph 3 above and Total \$93,257.22 including interest. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer. The Government may return to the Lessor the unused portion of the tenant improvement allowance per Paragraph 3.3 of SFO 0CO2308.

The Tenant Improvements are to be amortized over ten (10) years; however the Government shall be obligated to repay the amortized tenant improvements during the five (5) year firm term. The amortization of the tenant improvements outside of the firm term is considered to be at the Lessor's sole discretion.

8. In accordance with the SFO paragraph entitled Operating Costs Base, the base is established as \$50,819.00 per annum (Approximately \$5.71 per RSF).
9. In accordance with the SFO paragraph entitled Adjustment for Vacant Premises, the adjustment is established as \$6.10 per RSF for vacant space (rental reduction).
10. In accordance with the SFO Paragraph entitled Overtime Usage, the rate for overtime usage is established as \$40.00 per hour.

In any event, no overtime HVAC will be charged for the normal building hours of 7:00 am to 6:00 pm, Monday through Friday and Saturday 7:00 am to 1:00pm.

11. In accordance with the SFO paragraph entitled Tax Adjustment, the tax base is established as \$10,477.00 per annum (Approximately \$1.17 per RSF) and the Government shall pay it's pro rata share of any tax adjustment. The percent of the building occupied by the Government is agreed to be 49.57%.

INITIALS: B & KG  
LESSOR GOVT

STANDARD FORM 2 (REV. 12/2006)

12. Included in the Shell Rental Rate (\$16.15 / RSF) is a Tenant Improvement (TI) allowance of \$69,400.00 and \$10,000.00 for moving costs and IT setup. The total amount of \$79,400.00 shall be used at the Government's sole discretion. The Government may return to the Lessor the unused portion of the TI / Moving cost and IT setup allowance which will reduce the shell rental rate accordingly.

13. Additional items included as a part of the rental rate are as follows:

- Exclusive use of 28 Herman Miller workstations including initial setup (electrical and IT whips) and moving costs to be paid for by the Lessor per attached floor plan.
- At the end of the (10) ten year term, should the Government remain in the space the workstations will become the sole property of the Government including the exclusive use and financial responsibility including but not limited to maintenance, repair, moving and disposal. Furthermore, should the Government vacate the premises at any point during the (10) ten year lease term the Government releases all claims against normal wear and tear in their use of the workstations and fixtures.
- Should the Government vacate the space at any time prior to or at the end the (10) ten year term, ownership and financial responsibility including but not limited to maintenance, repair and disposal of the (28) workstations will remain with the Lessor.
- Exclusive use existing appurtenances, appliances, fixtures and other chattel in Suite 2 of 185 Suttle Street, Durango, CO during occupancy. The maintenance of said items remains the sole responsibility of the Lessor.

Some of these items include but are not limited to:

- Computer Racks with UPS devices
- Work stations that are fully wired for electric and CAT6.
- Conference room dry erase boards
- Conference room screen, projector(s) and television technology
- Card lock key system
- Café space with dishwasher, microwaves, refrigerator, supply cabinets and plumbing for coffee makers.
- 3 sizes of file cabinets
  - x12 - Large freestanding cabinets measuring 36" wide, 20" deep, 43" high
  - x 25 - Underdesk filing cabinets that double as guest seat measuring 15" wide, 22" deep, 23 high.
  - x 25 - Two drawer underdesk filing cabinets measuring 15" wide, 22" deep, 26.5" high.
- Stand-up work surfaces for the top of larger file cabinets
- Big screen televisions
- Roof top radio tower antenna.
- Chairs, filing cabinets, desk wall organizers.
- White noise system.

END OF DOCUMENT

INITIALS:

  
LESSOR

&

  
GOVT