

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

8-3-2011

LEASE NO.

GS-07B-16968

THIS LEASE, made and entered into this date by and between S&J Development Company, LLC

whose address is 100 Redbud LN  
Atoka, OK 74525-3621

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 8,103 rentable square feet (RSF) of office and related space, which yields 6,153 ANSI/BOMA Office Area square feet (ABOA) of space in the office and 1,950 square feet of vehicle maintenance space located at 1997 Highway 54 S (see Exhibit B - Legal Description) 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 302 parking spaces.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion and acceptance of the work required by this lease and continuing for a period of ten (10) years, with a firm term of five (5) years, subject to termination and renewal rights as may be hereinafter set forth. The actual lease term dates will be established by a subsequent Supplemental Lease Agreement.

3. For years 1 through 5, the Government shall pay the Lessor annual rent of \$180,709.81 (\$22.30/RSF - \$22.30/ABOA) at the rate of \$15,059.15 per month in Arrears. The total annual rent consists of annual Shell rent of \$113,036.85 (\$13.95/RSF - \$13.95/ABOA); annual Operating Costs of \$60,772.50 (\$7.50/RSF - \$7.50/ABOA) plus annual CPI adjustments as stated in the Solicitation For Offer; and annual amortized Tenant Improvement Costs of \$6,900.46 (\$0.85/RSF - \$0.85/ABOA).

For years 6 -10, the Government shall pay the Lessor total annual rent of \$ 173,809.35 (\$21.45/RSF - \$21.45/ABOA) at the rate of \$14,484.11 per month paid in arrears. The total annual rent consists of annual Shell rent of \$113,036.85 (\$13.95/RSF - \$13.95/ABOA); Operating Costs of \$60,772.50 (\$7.50/RSF - \$7.50/ABOA) plus annual CPI adjustments as stated in the Solicitation For Offer. There are no annual Tenant Improvement Costs.

Rent for a lesser period shall be prorated. Rent shall be made payable to:

S&J Development Company, LLC  
100 Redbud LN  
Atoka, OK 74525-3621

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) year of this lease by giving at least ninety (90) days' prior notice, in writing, to the Lessor. No rental shall accrue after the effective date of the termination. Said notice shall be computed commencing with the day after the date of the mailing.

5. ~~This lease may be renewed at the option of the Government for the following rentals:~~

~~Provided notice be given in writing to the Lessor at least \_\_\_\_\_ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

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 8NM2190 dated October 19, 2008.

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B. Build out in accordance with standards set forth in SFO 8NM2190 dated December 15, 2010.

C. The Lessor hereby waives restoration of the leased premises.

D. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Amount and Type of Space." of the SFO.

7. The following are attached and made a part hereof:

Solicitation for Offers (SFO) 8NM2190 dated December 15, 2010  
GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05])  
GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])

Exhibit A: Pre-Lease Security Plan  
Exhibit B: Legal description  
Exhibit C: Lessor's Tenant Improvement Bid

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

Paragraph 5 is omitted and has been struck through. Paragraphs nine (9) through sixteen (16) are added.

9. **Percentage of Occupancy:** The lease is subject to Real Estate Tax reimbursement as provided for in the Paragraph Tax Adjustment of the SFO. For tax adjustments, the percentage of occupancy is established at 100% (8103 RSF/8,103 RSF). The base year tax statement will be submitted within 60 calendar days after Lessor's payment of taxes to establish the base tax year. If the statement is for multiple parcels or buildings, the value of each property shall be defined. The base year for taxes is 2011.

10. **Operating Cost:** In accordance with the SFO paragraph entitled "Operating Costs," the adjustment base is established as \$7.50/RSF or \$60,772.50 (8,103 rsf X \$7.50).

11. **Common Area Factor:** In accordance with the SFO paragraph entitled "Common Area Factor," the common area factor is established as 1.00 (8,103 RSF/8.103 ABOA).

12. **Adjustment for Vacant Premise:** In accordance with the SFO paragraph entitled "Adjustment for Vacant Premises," the adjustment shall be a reduction of \$3.00/ANSI-BOMA Office Area for vacant space.

13. **Overtime HVAC Usage:** In accordance with the SFO Paragraph entitled Overtime Usage, the rate for Overtime Heating and Cooling is established at \$8.18 per hour for the entire Government leased premise. The Lessor shall not charge the Government for Overtime Heating and Cooling if the building is open and the Heating and Cooling is operating for all other tenants beyond the Normal Hours stipulated in this agreement. The Overtime Heating and Cooling Usage rate shall apply to all portions of the Premises that are required to have heating and cooling 24 hours per day as specified by the lease agreement.

14. **Central Contractor Registration (CCR):** Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new lease/contracts that became effective no later than January 1, 1998. CCR registration is mandatory to pay the lessor.

In accordance with the SFO paragraph entitled "Central Contractor Registration," the Lessor shall register by the time of the full execution of this Lease Agreement.

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15. **Unauthorized Tenant Improvements:** All questions pertaining to this Lease shall be referred, in writing, to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government's occupant of the leased premise is not authorized to administer this lease or make commitments to the Lessor that are not followed-up with a written agreement to the Lease. GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized, in writing, by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to; repairs, changes in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer. If Lessor delivers space with Tenant Improvements not authorized, in writing, by the GSA Contracting Officer, then the Lessor shall not be entitled to compensation or payment if the Tenant Improvements remain in place after the Government's acceptance of the space.

16. **Tenant Improvement Allowance:** In accordance with the SFO paragraphs entitled Required Tenant Improvements and GSA Forms and Pricing Information, Tenant Improvements in the total amount of \$28,360.00 (6,153 ANSI/BOMA Office Area x \$4.61) shall be amortized through the rent for 5 years at the rate of 8.00%. The total annual cost of Tenant Improvements for the amortization period shall be \$6,900.46. Annual tenant improvement amortized payments will begin upon completion and acceptance of all tenant improvements to the leased premise.

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

[Redacted Signature]

*Manager*  
Title

*SPRAY JANE SHEFFIELD*  
(printed name)

IN PRESENCE OF  
[Redacted Signature]

*ROBERT D. LEWIS*  
(printed name)

[Redacted Signature]  
[Redacted Address]  
City State Zip

[Redacted Signature]

ICES ADMINISTRATION

David Garrison

Contracting Officer  
(Official title)