

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

June 16, 2009

LEASE NO.

GS-10B-07028

Bldg. No. WA7568

ID 4330

THIS LEASE, made and entered into this date by and between 3rd & 3rd Investors

Whose address is

P.O. Box 1901 450 FALLS AVE, STE 201 MPO
Twin Falls, ID 83303-1901 83301-2307 MPO

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 6473 rentable square feet (RSF) of office and related space, which yields 6,473 ANSI/BOMA Office Area square feet (USF) of space at 1437 Fillmore Street in Twin Falls, Idaho 83301 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 a minimum of 25 parking spaces for exclusive use of Government employees and patrons. Each space is valued at \$100.00 per space per year.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on May 12, 2010 and continuing through May 11, 2020, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor rent as follows:

Years 1-10	Annual Rent	Monthly Rent
Shell rent	\$98,907.44	\$8,242.29
Operating Costs	\$24,308.39	\$2,025.70
Taxes	\$9,769.88	\$814.16
T.I.s	\$31,881.61	\$2,656.80
Full Service Rent	\$164,867.32	\$13,738.94

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

3rd & 3rd Investors
P.O. Box 1901
Twin Falls, Idaho 83303-1901

4. The Government may terminate this lease in whole or in part at any time on or after May 11, 2020 by giving at least 120 days' prior 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.

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

LESSOR

3rd & 3rd Investors

BY

IN PRESENCE OF

(Signature)

(Signature)

(Title)

(Address)

UNITED STATES OF AMERICA

BY

(Signature)

Contracting Officer, General Services Administration
(Official Title)

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

[Two (2) options to extend the term of this lease for a period of five (5) years, each at an annual rent of \$160,625.42 plus any accumulated operating cost escalations, are included herein provided notice is given in writing to the Lessor at least 90 days before the end of the original lease term or any renewal term. All other conditions of this lease will remain the same during any renewal term. Said notice will be computed commencing with 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 GS-P-10-08-LS-0051 dated July 9, 2008.

B. Build out in accordance with standards set forth in SFO GS-P-10-08-LS-0051 dated July 9, 2008, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2.

2. **The Lessor hereby waives restoration.**

C. Deviations to the approved 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 GS-P-10-08-LS-0051 dated July 9, 2008 (47 pages).

B. Agency Special Requirements (70 pages)

C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05]) (33 pages)

D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (8 pages)

E. Exhibit A: Site Plan and Floor Plans (2 pages)

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, the Lessor agrees to provide \$228,820.55 toward the cost of the Tenant Improvements. The tenant build out cost of \$228,820.55 (based on \$35.35 per ANSI/BOMA Office Area square foot) is amortized for a period of 10 years at 7%. Therefore, the amortized tenant build out costs are \$31,881.61 per annum.

9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 73.16. For purposes of subparagraph 3.5(F) of the Lease, the Twin Falls County Parcel Identification Number occupied under this Lease is RPT0354002003EA.

10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the cost of services base is \$24,308.39 per annum for 6,473 square feet of rentable office and related space.

11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.00.

12. This paragraph is intentionally omitted

13. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire building or any portion thereof.

14. This paragraph is intentionally omitted.

15. Lessor shall provide janitorial service within Tenant's space Monday thru Friday, between the operating hours of 7:00 am and 4:30 pm.

LESSOR: 3rd & 3rd Investors

BY

A. K. 26
MM

UNITED STATES OF AMERICA

BY

Scott M. Nelson
(initials)

16. NOVATION AND CHANGE OF NAME

- A. In the event of a transfer of ownership of the lease premises, an assignment of lease or a change in the Lessor's legal name, the Lessor must comply with the requirements of Subpart 42.12 of the Federal Acquisition Regulations (FAR).
- B. The Government and the Lessor may execute a Change of Name Agreement where only a change of the Lessor's name is involved and the Government's and the Lessor's rights and obligations remain unaffected. A sample form is found at FAR 42.1205
- C. The Government, the Lessor and the successor in interest may execute a Novation Agreement when the Lessor's rights or obligations under the lease are legally transferred.
- D. In addition to all documents required by Far 42.1204, the Contracting Officer may request additional information (i.e., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the transferor or transferee to validate the proposed changes.
- E. The transferee must submit a new GSA Form 3518, Representations and Certifications.
- F. Any separate agreement between the transferor and transferee regarding the assumption of liabilities shall be referenced specifically in the Novation Agreement.
- G. When it is in the best interest of the Government not to concur in the transfer of a contract from one entity to another, the original contractor remains under contractual obligation to the Government. The applicability of novation agreements is detailed at FAR 42.1204.
- H. When executed on behalf of the Government, a Novation Agreement will be made part of the lease via Supplemental Lease Agreement.
- I. In the event of a change in ownership, rent will continue to be paid to the prior Lessor until the Supplemental Lease Agreement is executed by the Government. New Lessors must comply with all provisions of this Lease, including but not limited to, Central Contractor Registration and the provision of all information required by the Contracting Officer.
- J. Notwithstanding anything to the contrary in this Lease, the Government has no obligation to recognize a change of ownership or interest until (1) the payment of rent has commenced; and (2) any amounts due and owing to the Government hereunder have been paid in full or completely set off against this Lease.

17. The Contracting Officer represents the General Services Administration as an agent with authority to enter into the Lease on behalf of the Government and execute this document in his/her official capacity only and not as an individual

18. The Government assumes no responsibility for any conclusions or interpretations made by the Lessor based on information made available by the Government and/or its contractors. Nor does the Government assume any responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before execution of this contract unless that understanding or representation is expressly stated in the Lease.

19. All questions pertaining to this Lease shall be referred in writing to the General Services Administration Contracting Officer or their designee. The Government occupant is not authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized in writing by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to: repairs, alterations and overtime services. Additionally, rent will not be paid for occupancy in whole or in part except for the term specified herein.

LESSOR : 3rd & 3rd Investors

BY

(initial)

UNITED STATES OF AMERICA

BY

(initial)

20. The Lessor and Broker have agreed to a cooperating lease commission of [REDACTED] of the Agregate Lease Value for the initial term of the lease, or [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this Lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this Lease 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 will continue until the commission credit has been accounted for.

The monthly rent adjusted for the commission credit is as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Monthly Shell Rent	Commission Credit	Commission Credit Remaining	Adjusted Monthly Rent Payment
Month 1	\$13,738.94	\$8,242.29	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$13,738.94	\$8,242.29	[REDACTED]	\$0	[REDACTED] <i>per</i>
Month 3	\$13,738.94	\$8,242.29	\$0	\$0	\$13,738.94

21. Any notices required or permitted under this Lease shall be delivered in person or by first class mail as follows:

To Government: U.S. General Services Administration
Attn: Michael J. O'Brien
Realty Specialist
400 15th Street SW
Auburn, WA 98001-6599

To Lessor: 3rd & 3rd Investors
Attn: Kent Taylor
P.O. Box 1901
Twin Falls, ID 83303-1901

or at such other address as either party designates in writing to the other.

LESSOR: 3rd & 3rd Investors

BY

A. K. 276
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UNITED STATES OF AMERICA

BY

Scott M. Nelson
(initial)