

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE No. GS-08B-14267 (LMT14267) – Building No. MT5590

THIS LEASE, made and entered into this date between the CITY OF SHELBY

whose address is: **112 1ST STREET SOUTH
SHELBY, MT 59474**

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 3,763 Rentable Square Feet (RSF), yielding approximately 3,273 ANSI/BOMA area of office and related space, as shown on the plans attached hereto and made a part hereof as Exhibit "A", together with five (5) on-site secure surface parking spaces per the SFO to accommodate employee and visitor parking located at:

**OILFIELD AVENUE COMPLEX (former Customs & Border Patrol station)
906 OILFIELD AVENUE
SHELBY, MT 59474**

to be used for such purposes as may be determined by the Government.

2. TO HAVE AND TO HOLD the said Premises with their appurtenances for a term of fifteen (15) years commencing on the next business day, excluding Saturdays, Sundays and Federal Holidays, following the Delivery of the Leased Premises in full compliance with the terms and conditions of Paragraph 3 hereof (the "Commencement Date"), and ending fifteen (15) years thereafter, subject to termination and renewal rights as may be hereinafter set forth. Upon actual determination of the Commencement Date, and consequently the Lease Term, the Lessor and the Government shall confirm in writing the Commencement Date and Termination Date of the Lease and the Government's acceptance of the Leased Premises by execution and delivery of a Supplemental Lease Agreement.

3. The Government shall pay the Lessor, commencing on the Commencement Date, annual rent as follows:

Upon beneficial occupancy by the Government, Annual Rent of \$100,919.78, or \$26.82 per RSF, at the rate of \$8,409.98 per month in arrears for base year.

Annual Rent consists of three (3) components:

- a. Shell Rent. Shell Rental Rate is \$62,014.24 or \$16.48 per RSF, at the rate of \$5,167.85 per month, for years 1 through 15. Shell Rental Rate includes base year share of annual payment to Toole County and School District 14, in lieu of taxes, which is \$6,200.00 or \$1.65 per RSF.
- b. Base Operating Costs. Base year services cost is \$21,148.06 or \$5.62 per RSF, at the rate of \$1,762.34 per month.
- c. Amortized Tenant Improvement. Annual amortized TI rental is \$17,757.48 or \$4.72 per RSF, at the rate of \$1,479.79 per month, for years 1 through 15.

Rent for a lesser period shall be prorated. Rent shall be payable through Electronic Fund Transfer (EFT) to:

**CITY OF SHELBY
112 1ST STREET SOUTH
SHELBY, MT 59474**

4. Paragraph 4 is intentionally omitted.

5. Paragraph 5 is intentionally omitted.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space described in Paragraph 1 and parking spaces required by local code.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease. All costs associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by Solicitation for Offers No. 5MT0054 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph 6.13 entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
7. The following are attached and made a part hereof:
- A. Solicitation for Offers No. 5MT0054 – 43 pages
 - B. Attachment #1 – Special Requirements – 42 pages
 - C. Attachment #2 – GSA Form 3517A, General Clauses (Acquisition of Leasehold Interests in Real Property | Rev 11/05 – 2 pages
 - D. Attachment #3 – GSA Form 3518, Representations and Certifications (Rev 1/07) – 7 pages
 - E. Attachment #4 – Exhibit A, Building Photos, Proposed Floor Plans, Existing Floor Plans – 7 pages + cover
8. The following changes were made in this lease prior to its execution:

Paragraphs 4 and 5 of this STANDARD FORM 2 is deleted in its entirety. Pages 3 and 4 have been added containing Paragraphs 9 through 18.

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IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names and the same have been written.

LESSOR: **CITY OF SHELBY**

BY Larry J. Bonderud, Mayor
Authorized Signatory

IN PRESENCE

112 1st St So, Shelby, MT 59474
(Address)

UNITED STATES OF AMERICA: **GENERAL SERVICES ADMINISTRATION, Public Buildings Service:**

BY Adam Menzies
CONTRACTING OFFICE

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-08B-

9. The Lessor shall remain responsible for maintenance, repair, and replacement of any installed items under this lease. These items can be removed by the Government at any time and the Lessor waives restoration in connection with these items. If after the lease term and any extended, renewal or succeeding lease term, the Government elects to abandon any items in place, the title shall pass to the Lessor.
10. Pursuant to Paragraph 1.8, How to Offer, the total estimated Tenant Improvement (TI) buildout cost is \$154,845.63 (\$47.31 per Usable Square Foot [USF] times 3,273 USF equals \$154,845.63). The amortization rate is 8%, and the amortization term is fifteen (15) years. The TI will be used to construct and expand the interior space in accordance with the approved Design Intent Drawings provided by the Government. If the TI cost exceeds \$47.31 per USF for up to 3,273 USF, the balance due the Lessor will be paid by rental adjustment or lump sum, to be determined by the Government. If the entire TI allowance of \$47.31 per USF is not used, the Government will adjust the rental rate downward to offset the difference in the TI rent component.
11. Pursuant to Paragraph 1.13, Broker Commission and Commission Credit (AUGUST 2005) of the Solicitation for Offers, the Lessor and the Broker have agreed to a cooperating lease commission of N/A percent of lease firm term years 1 through 15 based on the Aggregate Lease Value.
12. Pursuant to Paragraph 3.5, Tax Adjustment (SEP 2000), for the purpose of this lease, the Government's percentage of occupancy as of the date hereof is 100% based upon sole occupancy of 3,763 Rentable Square Feet. This percentage shall be subject to adjustment to take into consideration additions or reductions of the amount of space as may be contemplated in this lease or amendments hereto. The block and lot/parcel or other identification numbers for the property, building, and parking area occupied under this lease are APN 21-4424-22-3-28-11-0000, Lots No. 13, 14 and 15, Subdivision Neely Addition to City of Shelby.
13. Pursuant to SFO Paragraph 3.8, Operating Costs Base (SEP 2000), the base for operating costs adjustment is established as \$21,148.06 or \$5.62 per rentable square foot per annum.
14. Pursuant to GSA Form 3518, REPRESENTATIONS AND CERTIFICATIONS, Paragraph 3, TAXPAYER IDENTIFICATION (OCT 1998), Lessor Taxpayer Identification Number (TIN) is noted as N/A. (City is tax exempt, but does make annual payment in lieu of taxes to Toole County and School District 14. Proportionate share of this annual payment is factored into Shell Rental.) Pursuant to Paragraph 10, DUNS NUMBER (JUN 2004), Lessor DUNS Number is noted as 098708688.
15. **Overtime Usage.** Pursuant to Paragraph 7.3, Overtime Usage (SEP 2000), the Lessor shall provide heating, ventilation, and air conditioning (HVAC) at any time beyond normal service hours (7:00 AM to 6:00 PM daily except Saturdays, Sundays, and federal holidays) at no charge. Building has four (4) zoned HVAC systems and any costs associated with overtime usage would be minimal.
16. **Unauthorized Improvements.** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the City of Shelby. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation if the improvements remain in place after the Government's acceptance of the space.
17. Wherever the words "Offeror," "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation," "Solicitation for Offers," or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises."
18. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.

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Initials: JB & AM
Lessor Government