

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: **3/23/2010**

LEASE No. GS-09B-02405

THIS LEASE, made and entered into this date between **Howard Ranches LLC**

whose address is: 195 Mountain City Hwy, Unit 3
Elko, NV 89801

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:
3,352 rentable square feet (r.s.f.), yielding approximately 3,352 ANSI/BOMA Office Area square feet and related space located at the Silver Crest Building Center, 567 West Silver Street, Elko, NV 89801-3776, together with 29 onsite surface parking spaces, to be used for **SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.**
2. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following 10 years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent in arrears in accordance with the following schedule:
 - Years 1 through 5 (1-5) an annual rent of \$106,303.27 paid at the rate of \$8,858.61 per month in arrears and years 6 through 10 (6-10) an annual rent of \$74,012.16 paid at the rate of \$6,167.68 per month in arrears and broken out as follows:

	Years 1 - 5		Years 6-10	
	Annual Rent	Annual Rate / RSF	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$46,928.00	\$14.00	\$46,928.00	\$14.00
T.I Rental Rate	\$32,291.11	\$9.63	\$0.00	\$0.00
Operating Cost	\$27,084.16	\$8.08	\$27,084.16	\$8.08
Full Service Rate	\$106,303.27	\$31.71	\$74,012.16	\$22.08

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

Howard Ranches LLC
195 Mountain City Hwy, Unit 3
Elko, NV 89801

4. The Government may terminate this lease in whole or in part effective any time after the fifth year of this lease giving at least 90 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
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(s) 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 and the Government's approved Design Intent Drawings Rent is subject to adjustment in accordance with Paragraph 18, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. GS-09B-02405 and its attachments.

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

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) Standard form 2 (pages 1-2);
- b) Sheet no. 1 containing Paragraphs 9-16
- c) GSA Form 3626 (pages 1-2);
- d) Short Form Lease Amendments (pages 1-18);
- e) Special Requirements (pages 1-5);
- f) Amendment Number 1 (pages 1),
- g) GSA Form 3517A (pages 1-2);
- h) GSA Form 3518A (pages 1-4);
- i) First generation Blue-Line Plan (Exhibit "A", page 1)

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

Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 16 have been added.

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

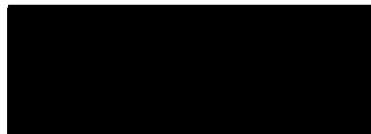
LESSOR

BY



Kent Howard

NAME OF SIGNER



Joel McConnell

NAME OF SIGNER

UNITED STATES

ADMINISTRATION, Public Buildings Service:

BY

C



REGINA NICKERSON

NAME OF SIGNER

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02405

9. **OPERATING COST:** Pursuant to Paragraph 10, "Operating Costs", the base rate for purposes of operating cost escalation is established at \$8.08 per rentable square foot per annum.
10. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 11, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$8.08 per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 10, "Operating Costs."
11. **OVERTIME USAGE:** Pursuant to Paragraph 13, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (6 a.m. – 4:30 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours")), at a rate of \$0.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 600 Las Vegas Boulevard Suite 600, Las Vegas, NV 89101 to receive payment.
12. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$0.00 per hour after "Normal Hours".
13. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 17, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the 5 year term of the lease agreement at an interest rate (amortization rate) of 5 % per year.
14. **ACCEPTANCE OF SPACE:**
 - A. Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
 - B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
 - C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.
15. **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 Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms 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.**
16. 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".

Initials: KH & AM
Lessor Government