

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

July 1, 2010

LEASE NO.

LUT14457

**THIS LEASE**, made and entered into this date by and between **LARKIN GIFFORD DEVELOPMENTS, LLC**

Whose address is **50 NORTH 600 EAST, ST. GEORGE, UT 84770-2930**.

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 5,020 rentable square feet (RSF) of office and related space, which yields 4,553 ANSI/BOMA Office Area square feet (BOASF) of space consisting of Suite 4 on the first floor at **Industrial Road Suites, 389 North Industrial Road, St. George, Utah** (Legal Description of the Property is Parcel # SG-TNIC-4) to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises for five (5) years with three (3) years firm, for the term beginning **July 1, 2010**, subject to termination and renewal rights per Paragraph 5 of the Standard Form 2.
3. The Government shall pay the Lessor annual rent of \$138,654.86 at the rate of \$11,554.57 per month in arrears for years 1 through 3 and annual rent of \$122,739.00 at the rate of \$10,228.25 per month in arrears for years 4 through 5:

<u>Years 1 - 3</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent	\$ 87,498.60	\$ 7,291.55
TIA	17,044.16	1,420.35
Bldg. Spec. Security	1,482.10	123.51
OPEX *	32,630.00	2,719.17
<b>Firm Term Rent **</b>	<b>\$138,654.86</b>	<b>\$11,554.57</b>
<u>Years 4 - 5</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent	\$ 90,109.00	\$ 7,509.08
OPEX ***	32,630.00	2,719.17
<b>Term Rent</b>	<b>\$122,739.00</b>	<b>\$10,228.25</b>

\* Includes daytime cleaning and above service and maintenance of equipment identified in the Special Requirements of the SFO.

\*\* See Paragraph 4 of this Standard Form 2 for a "Commission Rent Credit."

\*\*\* Does not include annual operating cost escalations per SFO Section 4.3 "Operating Costs."

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

LARKIN GIFFORD DEVELOPMENTS LLC  
50 NORTH 600 EAST  
ST. GEORGE, UT 84770-2930

4. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the aggregate firm term value of this lease valued at [REDACTED]. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with SFO Section 2.3 "Broker Commission and Commission Credit", the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction. The Commission Credit is [REDACTED] and shall be credited in three equal amounts of [REDACTED] over the first three monthly rent payments. Notwithstanding Paragraph 3 of this Standard Form 2, the Firm Term Rental payments shall be reduced to fully re-capture this Commission Credit. The reduction shall commence with the first month and continue as indicated as follows:

First Month's Rental Payment shall be \$8,229.69 (or the monthly payment of [REDACTED] minus rent credit of [REDACTED]).

Second Month's Rental Payment shall be \$8,229.69 (or the monthly payment of [REDACTED] minus rent credit of [REDACTED]).

Third Month's Rental Payment shall be \$8,229.69 (or the monthly payment of [REDACTED] minus rent credit of [REDACTED]).

DHL ~~CHM~~  
Three (3) Year Term

5. The Government has a one time right to terminate this lease in whole or in part at the end of the ~~ten year firm term~~ or by giving at least 90 days' 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.
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 9UT2076 dated 03/23/2010, as amended.
  - B. Build out in accordance with standards and Special Requirements set forth in SFO 9UT2076 dated 03/23/2010, as amended.
  - C. Deviations 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 SFO 9UT2076 dated 03/23/2010, 38 pages.
  - B. Special Requirements, 5 pages.
  - C. SFO Amendment#1, dated November 5, 2009, 1 page.
  - D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. (11/05)), 2 pages.
  - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. (1/07)), 7 pages.
  - F. 8 1/2" x 11" of the floor plan, 1 page.
8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements at the rate of \$3.40 / RSF shall be amortized through the rent for three (3) years at the rate of 7%. The total annual cost of Tenant Improvements for the amortization period shall be \$46,000.00.
9. *Building Specific Security Costs* at the rate of \$.30 / RSF shall be amortized through the rent for three (3) years at the rate of 7%. The total annual cost of Building Specific Security Costs for the amortization period shall be \$1,000.00.
10. In accordance with the SFO Paragraph 4.2.B.9 entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 13.0%.
11. In accordance with the SFO Paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as \$6.50 / RSF (\$32,630.00/ annum).
12. In accordance with the SFO Paragraph 4.1.C. entitled *Common Area Factor*, the common area factor is established as 10.2% (5,020 RSF / 4,553 BOASF).
13. In accordance with the SFO Paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.00 / BOASF for vacant space (rental reduction).
14. In accordance with the SFO Paragraph 4.6 entitled *Overtime Usage*, rate of \$20.00 per hour for the Government's space.
15. The following changes were made in this Lease prior to its execution:
  - A. The space shall be accepted in "as is" condition by the Government.

LESSOR: LA		
BY _____	_____	Dale Larkin -- Partner, LARKIN GIFFORD DEVELOPMENTS LLC
IN PRESENCE OF _____	_____	(Title)
UN _____	_____	50 NORTH 600 EAST ST. GEORGE, UT 84770-2930
BY _____	_____	Sylvia Marquez, Leasing Contracting Officer, General Services Administration (Official Title)

May 6, 2010

**Amendment Number 1  
to Solicitation for Offers 9UT2076  
[REDACTED], St. George UT**

Paragraph 1.3 **LEASE TERM (Sep 2000)** is hereby deleted in its entirety and replaced with the following:

The lease term is for **five (5) years, three (3) years firm**. GSA may terminate this lease in whole or in part a after the firm term with ninety (90) days' written notice to the Lessor. All the terms and conditions contained h herein shall prevail throughout the term of the lease.

Paragraph 1.3 **OFFER DUE DATE (AUG 2008)** is hereby deleted in its entirety and replaced with the following:

Offers are due by May 10, 2010 and shall remain open until lease award.

Paragraph 3.2 **TENANT IMPROVEMENTS INCLUDED IN OFFER (AUG 2008), subparagraph A** is hereby deleted in its entirety and replaced with the following:

- A. The Tenant Improvement Allowance is **\$46,000.00**. (Tenant improvements are the finishes and fixtures that typically take space from the "shell" condition to a finished, usable condition.) The Tenant Improvement Allowance shall be used for the buildout of the Government-demised area in accordance with the Government-approved design intent drawings. All Tenant Improvements required by the Government for occupancy shall be performed by the successful Offeror as part of the rental consideration, and all improvements shall meet the quality standards and requirements of this solicitation and its attachments.

Paragraph 3.3 **GSA FORMS AND PRICING INFORMATION (AUG 2008), subparagraph A.g** is hereby deleted in its entirety and replaced with the following:

- g. The annual amortized cost of the Building Specific Amortized Security, shall be **\$4,000.00**. Such amortization shall be expressed as a cost per ABOA and rentable square foot per year. Refer to the Lease Security Standards section of this SFO and the Building Security Unit Cost List.

All respondents to this Solicitation for Offers to lease shall acknowledge receipt of this Amendment by signature on one copy in the space provided below. The acknowledged copy of this Amendment must be received by **4:00 PM MDT on May 10, 2010**. You may fax this Amendment to Bruce Keyes of REPS a *Small Business Partner with CB Richard Ellis for the GSA National Broker Contract* at (719) 213-2140. A hard copy of the Amendment must be mailed to the following:

Bruce Keyes, Vice President  
REPS • 10095 Canyon Terrace • Woodland Park, CO 80863  
Phone: 719-687-9347 • Fax: 719-213-2140 • Mobile: 719-237-5740

RECEIPT OF AMENDMENT NO. 1



5-6-10

DATE: