

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-08P-14480

**THIS LEASE**, made and entered into this date by and between **3M Rentals, Inc.**

Whose physical address is 25 W MAIN ST STE C, VERNAL, UT 84078-2501; and mailing address is **3M Rentals, Inc. P.O. Box 1823, Vernal, UT 84076-5823**

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:

- The Lessor hereby leases to the Government the following described premises:

A total of 8,604 rentable square feet (RSF) of office and related space, which yields 7,625 ANSI/BOMA Office Area square feet (USF) of space consisting of the entire building at 1380 South 2350 West, Vernal, UT (*see Exhibit A - Legal Description of the Property*), and 12,500 square feet of wareyard space 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 eight (8) reserved parking spaces and twenty-five (25) surface parking spaces for the exclusive use of Government.

- TO HAVE AND TO HOLD the said premises for ten (10) years, five years firm (5) for the term beginning June 1, 2010 through May 30, 2020 with termination rights per paragraph 5 of this SF-2 on or after May 31, 2015.
- The Government shall pay the Lessor annual rent per month in arrears for years 1 through 10 per the table below subject to cancellation rights per Paragraph 5 of this Standard Form 2:

<u>Year 1</u>	<u>RSF Rate</u>	<u>USF Rate</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent	\$6.04	\$6.81	\$51,906.08	\$4,325.51
OPEX *	\$2.48	\$2.80	\$21,400.00	\$1,783.33
<b>Firm Term Rent **</b>	<b>\$8.52</b>	<b>\$9.61</b>	<b>\$73,306.08</b>	<b>\$6,108.84</b>
<u>Years 2 - 5</u>	<u>RSF Rate</u>	<u>USF Rate</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent ***	\$8.16	\$9.21	\$70,146.56	\$5,845.55
OPEX *	\$2.48	\$2.80	\$21,400.00	\$1,783.33
<b>Firm Term Rent **</b>	<b>\$10.64</b>	<b>\$12.01</b>	<b>\$91,546.56</b>	<b>\$7,628.88</b>
<u>Years 6 - 10</u>	<u>RSF Rate</u>	<u>USF Rate</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent ***	\$7.47	\$8.42	\$64,209.80	\$5,356.34
OPEX ****	\$2.48	\$2.80	\$21,400.00	\$1,778.16
<b>Full Term Rent</b>	<b>\$9.95</b>	<b>\$11.22</b>	<b>\$85,609.80</b>	<b>\$7,134.50</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 adjustment for changes to the Tax Base per SFO Section 4.2 "TAX ADJUSTMENT."

\*\*\*\* Does not include annual operating cost escalations per SFO Section 4.3 "OPERATING COSTS."

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

**3M Rentals, Inc.  
25 W MAIN ST STE C  
VERNAL, UT 84078-2501**

- The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED], aggregate firm term value of this lease valued at [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with SFO Section 2.2 "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 \$3,178.89 (or the monthly payment of [REDACTED] minus commission rent credit of [REDACTED]).

Second Month's Rental Payment shall be \$3,178.89 (or the monthly payment of [REDACTED] minus commission rent credit of [REDACTED]).

Third Month's Rental Payment shall be \$3,178.89 (or the monthly payment of [REDACTED] minus commission rent credit of [REDACTED]).

5. The Government has a one time right to terminate this lease in whole or in part at the end of the firm term or by giving at least one hundred and twenty (120) 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 following are attached and made a part hereof:
  - A. Solicitation for Offers 9UT2038, 27 pages.
  - B. SFO Amendment#1, dated December 21, 2009, 1 page.
  - C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]), 2 pages.
  - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]), 7 pages.
  - E. Exhibit A – Legal Description of 1380 South 2350 West, Vernal, UT, 1 page.
7. In accordance with the SFO Paragraph 4.2.B.7 entitled **Real Estate Tax Base**, the first year tax base is established as being \$6,959.35.
8. In accordance with the SFO Paragraph 4.2.B.9 entitled **Percentage of Occupancy**, the percentage of Government occupancy is established as 100%.
9. In accordance with the SFO Paragraph 4.3 entitled **Operating Costs Base**, the escalation base is established as \$21,400.00 / annum (\$2.49 / RSF).
10. In accordance with the SFO Paragraph 4.1.C. entitled **Common Area Factor**, the common area factor is established as 12.8% (8,604 RSF / 7,625 USF).
11. In accordance with the SFO Paragraph 4.4 entitled **Adjustment for Vacant Premises**, the adjustment is established as \$1.25 / USF for vacant space (rental reduction).
12. In accordance with the SFO Paragraph 4.6 entitled **Overtime Usage**, the rate for overtime usage is established as \$25.00 per hour for the entire building or any portion thereof.
13. Items to be included in scope of Lease before June 1, 2010 or the effective date of the lease:
  1. Add gutters/downspouts/gutter heat.
  2. Resurface and re-stripe existing parking lot
  3. Install new parking lot with striping so that there are a minimum of 8 reserved, 25 surface parking spaces, plus Handicapped spaces per code.
  4. Power wash exterior or repaint building.
  5. Add security light at rear of building.
  6. Repair metal conduit between exterior garage doors.
  7. Repaint interior.
  8. Replace smoke detectors.
  9. Replace any stained ceiling tiles or water damaged drywall.
14. Items to be included in scope of Lease before the 2<sup>nd</sup> year of the firm term or June 1, 2011:
  1. Replace carpet (including removing and replacing furniture and any touch-up painting)
15. Anytime prior to and during re-carpeting, re-painting, or any other improvements requested by the Government where the Lessor is responsible for removing or relocating Government or personal property or equipment, the tenant agency or Government employees shall be responsible for packing, temporarily storing, and replacement of the following: wall hangings, pictures, stuffed animals, computers, servers, telephones, printers, fax machines, etc. for which the Lessor shall not be responsible.
16. Delete Paragraph 7.8 "FLOOR COVERING AND PERIMETERS", subparagraph 4 in its entirety and replace with the following:
  4. FLOORING – REPAIR OR REPLACEMENT:
    1. Except when damaged by the Government, the Lessor shall repair or replace flooring as part of shell rent at any time during the lease term when:
      - a. backing or underlayment is exposed;
      - b. there are noticeable variations in surface color or texture;
      - c. it has curls, upturned edges, or other noticeable variations in texture,
      - d. tiles are loose, or
      - e. tears and/or tripping hazards are present.
    2. Work shall be performed after normal working hours as defined elsewhere in this SFO.

LESSOR	
[REDACTED]	_____ President (Title)
IN [REDACTED]	_____ P.O. Box 1823, Vernal, UT 84076
[REDACTED]	_____ Tammy R. Eatough, Contracting Officer, General Services Administration (Official Title)

