

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

8/8/2011

LEASE NO.

GS-08B-14641

THIS LEASE, made and entered into this date by and between **BALM LLC DBA Access Business Center**

Whose address is 353 1/2 W 2880 S
SALT LAKE CITY, UT 84115-3460

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 7,539 rentable square feet (RSF) of office/warehouse and related space, which yields 7,539 ANSI/BOMA Office Area square feet (USF) of space at BALM LLL DBA Access Business Center, 307-309 West 2880 South, South Salt Lake, UT 84115 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 nine (9) secure & reserved parking spaces for exclusive use of Government employees and patrons. Lessor and Government acknowledge the actual total building square footage is 7,951 rentable square feet. Lessor agrees to provide the additional 412 square feet (7,951 less 7,539) at no additional cost to the Government. Rent shall be calculated based upon 7,539 rentable square feet.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon completion and acceptance of the space by the Government and continuing for a period of ten (10) years, subject to termination and renewal rights as may be hereinafter set forth.

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

- For Months 1 through 12, applied commission credit per Paragraph 16 below and free rent applied to shell rent. Annual rent in the amount of \$158,360.76 shall be paid as follows:

Year 1	Monthly	Annual
Shell	\$7,830.23	\$93,962.70
OPEX	\$3,373.70	\$40,484.43
TI Amortization	\$1,992.80	\$23,913.63
Full Service Rent	\$13,196.73	\$158,360.76

- For Months 13 through 60, annual rent in the amount of \$168,360.87 shall be paid as follows:

Years 2-5	Monthly	Annual
Shell	\$8,663.57	\$103,962.81
OPEX (plus CPI Adjustments)	\$3,373.70	\$40,484.43
TI Amortization	\$1,992.80	\$23,913.63
Full Service Rent	\$14,030.07	\$168,360.87

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

LESSOR

BALM LLC DBA Access Business Center

[Redacted Signature]

MANAGER

(Title)

IN PRESENCE OF

[Redacted Signature]

(Signature)

353 1/2 WEST 2880 SOUTH SLC, UT 84115

(Address)

UNITED STATES OF AMERICA

BY

[Redacted Signature]

(Signature)

Contracting Officer, General Services Administration

(Official Title)

- For Months 61 through 120, annual rent in the amount of \$144,447.24 shall be paid as follows:

Years 6-10	Monthly	Annual
Shell	\$8,683.57	\$103,962.81
OPEX (plus CPI Adjustments)	\$3,373.70	\$40,484.43
TI Amortization	\$00.00	\$00.00
Full Service Rent	\$12,037.27	\$144,447.24

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

BALM LLC DBA Access Business Center
 353 1/2 W 2880 S
 SALT LAKE CITY, UT 84115-3460

4. The Government may terminate this lease in whole or in part at any time on or after the fifth (5th) year of this lease 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.

5. PARAGRAPH 5 IS INTENTIONALLY OMITTED.

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 8UT2075 dated March 22, 2011, as amended.

B. Build out in accordance with standards set forth in SFO 8UT2075 dated March 22, 2011, as amended, 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. 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 8UT2075 dated March 22, 2011 and Amendment 1, dated March 31, 2011;
- B. Agency Special Requirements dated 9/22/2009;
- C. Rider to Solicitation for Offers 8UT2075;
- D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [06/08])
- E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [01/07])
- F. Floor Plan
- G. Parking Plan

8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$96,000.00 shall be amortized through the rent for five (5) years at the rate of 9%. The total annual cost of Tenant Improvements for the amortization period shall be \$23,913.63.

9. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100%.

10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$5.37/RSF (\$40,484.43/annum).

11. Pursuant to SFO Paragraph 4.2, "Tax Adjustment," the base rate for purposes of tax escalation is established at \$1.03 per rentable square foot per annum; the Government occupies 7,539 / 7,539 rentable square feet (100%).

12. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.00 (7,539 RSF/7,539 USF).

13. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.09/USF for vacant space (rental reduction).

14. Overtime Usage: Pursuant to Paragraph 4.6, "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 (7:00 a.m. – 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours"), at a rate of \$6.50 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.

LESSOR

UNITED STATES OF AMERICA

BY



(Initial)

BY



(Initial)

15. 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 \$12.50 per every 10 square foot, per year after "Normal Hours".

16. Pursuant to Paragraph 5.1, "Unit Costs for Adjustments", the following negotiated amounts may be used, during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

ITEM	UNIT COST
Cost per linear foot of office sub-dividing ceiling-high partitioning	██████████
Cost per floor-mounted duplex electrical outlet	██████████
Cost per wall-mounted duplex electrical outlet	██████████
Cost per floor-mounted fourplex (double duplex) electrical outlet	██████████
Cost per wall-mounted fourplex (double duplex) electrical outlet	██████████
Cost per floor-mounted telephone outlet	██████████
Cost per wall-mounted telephone outlet	██████████
Cost per interior door per door	██████████
Cost per dedicated clean electrical computer receptacle (floor)	██████████
Cost per dedicated clean electrical computer receptacle (wall)	██████████

17. The Lessor and the Broker have agreed to a cooperating lease commission of ██████████ of the firm term value of this lease. The total amount of the commission is ██████████. 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 ██████████ of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit). The Commission Credit is ██████████. 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.

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 full month of the rental payments and continue in equal monthly installments until fully recaptured.

18. Offeror's Tenant Improvement Fee Schedule: Pursuant to the offer received July 7, 2011, the Offeror's Tenant Improvement Fee Schedule shall be applicable to Tenant Improvements, any Building-Specific Security, and change orders during initial construction arising under this Lease. The applicable fees are:

- a. General Conditions will be 7.5% of Total Subcontractors Costs estimated to be \$96,000.00.
- b. General Contractor's fee will be 10% of Total Subcontractors Costs estimated to be \$96,000.00.
- c. Architectural/Engineering fees will be 6% of state basis.
- d. Lessor's Project Management fee will be 3% of Total Subcontractors Costs estimated to be \$96,000.00.

19. The Lessor hereby waives and forever relinquishes any right to make a claim against the Government for waste, damages or restoration arising from or related to any alteration or removal of any alteration by the Government during the term of this Lease or any extensions. Alterations may be completed by either the Government and/or the Lessor including the initial buildout of the leased space and/or any subsequent modifications required during the lease period. At the Government's sole discretion, property remaining in leased space after termination of the lease contract will become the property of the Lessor.

20. 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"; where the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

All terms and conditions of this lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral, between the parties prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.

LESSOR

UNITED STATES OF AMERICA

BY

[Handwritten Signature]

(Initial)

BY

[Handwritten Signature]

(Initial)