

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-08P-14490

THIS LEASE, made and entered into this date by and between **EASTERN UTAH INVESTMENTS & MANAGEMENT, INC.**

Whose address is **365 W 50 N STE W-2, VERNAL, UT 84078-2010.**

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 **1,400** rentable square feet (RSF) of office and related space referred to as Suites **W-1** and **W-5**, which yields **1,215** ANSI/BOMA Office Area square feet (USF) of space (see attached Exhibit "A" 8 1/2" x 11" Floor Plan) in the building located at **365 W 50 N, VERNAL, UT 84078-2010** (see Exhibit "B" - Legal Description of the Property). Included in the rent at no additional cost to the Government is one (1) surface parking space for the exclusive use of Government.

2. TO HAVE AND TO HOLD the said premises for ten (10) years, five (5) years firm for the term beginning November 1, 2010, subject to termination and renewal rights as may be hereinafter set forth.
3. 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>Years 1 - 5</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent	\$14,378.00	\$1,198.17
TIs	\$8,456.17	\$ 704.68
OPEX *	\$6,300.00	\$525.00
Firm Term Rent **	\$29,134.17	\$2,427.85
<u>Years 6 - 10</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>
Shell Rent ***	\$16,268.00	\$1,355.74
OPEX ****	\$6,300.00	\$525.00
Full Term Rent	\$22,568.00	\$1,881.67

* Includes daytime cleaning.

** 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:

EASTERN UTAH INVESTMENTS & MANAGEMENT, INC.
365 W 50 N STE W-2
VERNAL, UT 84078-2010

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 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 \$1,455.71 (or the monthly payment of [REDACTED] minus commission rent credit of [REDACTED]).

Second Month's Rental Payment shall be \$1,455.71 (or the monthly payment of [REDACTED] minus commission rent credit of [REDACTED]).

Third Month's Rental Payment shall be \$1,455.71 (or the monthly payment of [REDACTED] minus commission rent credit of [REDACTED]).

5. The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year of this lease by giving at least ninety (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.
6. The following are attached and made a part hereof:
 - A. Sheet Number 1 to Lease No. GS-08P-14490 containing SF-2 Paragraphs 17 and 18, 1 page.
 - B. Solicitation for Offers BUT2120, 27 pages.
 - C. SFO Amendment#1, dated December 21, 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. Exhibit "A" - 8 1/2" x 11" Floor Plan, 1 page.
 - G. Exhibit "B" -- Legal Description of the Property, 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 **\$1,019.54**.
8. In accordance with the SFO Paragraph 4.2.B.9 entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as **100%** (for each of the condominium units #26, 27, & 28 (also referred to as Suites W1 and W5) – which comprises the entire Government occupied space).
9. In accordance with the SFO Paragraph 4.3 entitled *Operating Costs Base*, the escalation base is established as **\$6,300.00 / annum** (\$4.50 / RSF x 1,400 RSF).
10. In accordance with the SFO Paragraph 4.1.C. entitled *Common Area Factor*, the common area factor is established as **15.2% (1,400 RSF / 1,215 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 use of the Government leased space after normal working hours the rate for overtime usage for heating or cooling in the Government leased space is established at **\$25.00 / hour**.
13. In accordance with the SFO Paragraph 3.2 *Tenant Improvements included with Offer*, the tenant improvement allowance is **\$36,450.00** (1,215 OASF x \$30.00 / OASF at the rate of 6% per annum or \$6.04 / RSF).
14. In accordance with your offer on the Form 1364 Proposal to Lease Space a **Shell Allowance of \$30,000.00** shall be applied towards the total construction costs.
15. The Lessor agrees to a **Not-to-Exceed construction cost of \$66,450.00** for the entire project – inclusive of Demolition, Tenant Improvements, Shell Costs, General Conditions, Permits, General Contractor Mark-up, Architectural Fees, Engineering Fees, and Lessor Mark-up. **This excludes costs for all ballistic items and special locks which must be provided separately and will be paid lump sum.**
16. SFO Paragraph 1.7 Occupancy Date shall be changed to the following: "Occupancy is required no later than November 1, 2010."

LESSOR
EASTERN UTAH INVESTMENTS & MANAGEMENT, INC - by Jeff King

BY _____
IN PR _____

President
(Title)

365 W 50 N, STE W2, VERNAL, UT 84078-2010
(Address)

Arrie Mitchell, Contracting Officer, General Services Administration
(Official Title)

17. The following paragraph shall be added to the SFO:

5.3 CONSTRUCTION SCHEDULE (MAR 2007)

- A. Within five (5) days after award of the lease contract, the successful Offeror shall submit to the Contracting Officer a tentative construction schedule giving the dates on which the various phases of construction will be completed to coincide with the Government's required occupancy date. Refer to the "Occupancy Date" paragraph in the SUMMARY section of this SFO. The finalized schedule shall be submitted no later than ten (10) days after award.
- B. The schedule shall include timing for completion of design and construction milestones including, but not limited to: 1) submittal of preliminary plans and specifications; 2) submittal of other working drawings; 3) issuance of a building permit; 4) completed construction documents; 5) start of construction; 6) completion of principal categories of work; 7) phased completion and availability for occupancy of each portion of the Government-demised area (by floor, block, or other appropriate category); and 8) final construction completion.

18. The Government and Lessor hereby agree that the following changes have been negotiated and agreed upon. The Government shall make a one-time lump sum reimbursement to the Lessor, upon inspection and acceptance for the completion of work consisting of all ballistic items and special locks. The total reimbursable amount is not to exceed \$9,637.00. Payment shall be made upon receipt and Government approval of appropriate invoice.

The Vendor receiving payment shall issue the invoice. Additionally the invoice shall include a unique invoice number and cite the following PDN number: (to be determined) [Invoices submitted without the PDN are immediately returned to the Vendor.] Invoices shall be submitted to the Greater Southwest Finance Center (with a copy to the Contracting Officer) electronically on the Finance Website at www.finance.gsa.gov. Vendors who are unable to process the invoice electronically may mail the invoice to the following address:

GSA, Greater Southwest Finance Center (7BCP)
P.O. Box 17181
Fort Worth, Texas 76102

Lessor JK Gov't CMH