

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

JAN 13 2012

LEASE NO. GS-10B-06879 BUILDING NO. ID4377

THIS LEASE, made and entered into this date by and between **CHANNING SQUARE PROPERTIES, LLC**

Whose address is **2630 Legends Circle
Idaho Falls, ID 83404-4801**

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 7,951 rentable square feet (RSF) of office and related space, which yields 7,777 ANSI/BOMA Office Area (ABOA) square feet of space in a building located in the Channing Square Center, more commonly known as 2190 - 2196 Channing Way in Idaho Falls, Idaho 83404-8034, to be used for such purposes as determined by the General Services Administration.

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years firm, subject to renewal rights as are hereinafter set forth.

- The Government shall pay the Lessor monthly in arrears in accordance with the following table:

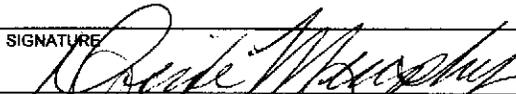
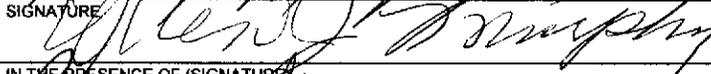
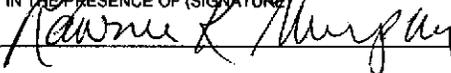
Years	Annualized				Total Monthly Rent
	Shell	Operating Expenses	Tenant Improvement Allowance	Total Annual Rent	
1-5	\$ 128,387.18	\$ 38,198.99	\$ 36,610.94	\$ 203,197.11	\$ 16,933.09
6	\$ 141,225.90	\$ 38,198.99	\$ 36,610.94	\$ 216,035.83	\$ 18,002.99
7	\$ 144,050.42	\$ 38,198.99	\$ 36,610.94	\$ 218,860.35	\$ 18,238.36
8	\$ 146,931.43	\$ 38,198.99	\$ 36,610.94	\$ 221,741.35	\$ 18,478.45
9	\$ 149,870.05	\$ 38,198.99	\$ 36,610.94	\$ 224,679.98	\$ 18,723.33
10	\$ 152,867.46	\$ 38,198.99	\$ 36,610.94	\$ 227,677.38	\$ 18,973.12

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

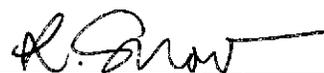
CHANNING SQUARE PROPERTIES, LLC
2630 Legends Circle
Idaho Falls, ID 83404-4801

- TERMINATION RIGHTS INTENTIONALLY DELETED

LESSOR

SIGNATURE 	NAME OF SIGNER Dixie Murphy
SIGNATURE 	NAME OF SIGNER ALLEN Murphy
IN THE PRESENCE OF (SIGNATURE) 	NAME OF SIGNER Kraume K. Murphy

UNITED STATES OF AMERICA

SIGNATURE 	NAME OF SIGNER Lindsey Snow
LINDSEY D. SNOW CONTRACTING OFFICER	OFFICIAL TITLE OF SIGNER Lease Contracting Officer

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STANDARD FORM 2 (REV. 12/2006)
Prescribed by GSA - FPR (41 CFR) 1-16.60

5. This Lease may be renewed at the option of the Government for a term of 5 years at the following rental rate(s):

OPTION TERM 1, YEARS 11 - 15		
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$162,438.93	\$20.43
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM YEAR 10 OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least 90 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

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 7ID2002 dated June 25, 2010, as amended by Amendment Number 1, dated July 22, 2010 and Amendment Number 2, dated May 17, 2011.
 - B. Build out shall be in accordance with standards set forth in SFO 7ID2002 dated June 25, 2010, as amended by Amendment Number 1 dated July 22, 2010, Amendment Number 2 dated May 17, 2011 and the Government's design intent drawings. Government space plans shall be developed subsequent to award.
 - 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 7ID2002 dated June 25, 2010 (pages 1-53);
 - B. Amendment Number 1, dated July 22, 2010 (1 page);
 - C. Amendment Number 2, dated May 17, 2011 (pages 1-3);
 - D. [REDACTED] Special Requirements (pages 1-89);
 - E. GSA Form 3516 entitled SOLICITATION PROVISIONS (Rev. [12/03]) (1 page);
 - F. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [6/08]) (pages 1-33);
 - G. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (pages 1-7);
 - H. Exhibit A – Base Plans (1 page);
 - I. Exhibit B – Legal Description (1 page).
8. In accordance with the SFO Paragraph 3.2, entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$297,831.41 (7,777 ABOA Square feet x \$38.296440) shall be amortized through the rent for ten (10) years at the rate of 4.25%. The total annual cost of Tenant Improvements for the amortization period shall be \$36,610.94.
9. In accordance with the SFO Paragraph 4.2, entitled *Tax Adjustment*, the real estate tax base is \$28,381.00 and the Property consists of assessor parcel number RPA3047104008F. The Property is not yet fully assessed. The percentage of Government occupancy is established as 40.53% (7,951 RSF/19,618 RSF). The percentage of Government occupancy is established as 40.53% (7,951 RSF/19,618 RSF).
10. In accordance with the SFO Paragraph 4.3, entitled *Operating Costs*, the operating cost base is established as \$38,198.99 per annum and will be adjusted annually per CPI.

INITIALS: SM LESSOR & JD GOVT

11. In accordance with the SFO Paragraph 4.1, entitled *Measurement of Space*, the common area factor is established as 1.0224 (7,951 RSF/7,777 ABOA SF).
12. In accordance with the SFO Paragraph 4.4, entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.50/ABOA SF for vacant space (rental reduction).
13. In accordance with the SFO Paragraph 4.6, entitled *Overtime Usage*, overtime usage will be provided at no additional charge to the Government for the entire building or any portion thereof beyond the normal hours of operation of 7:00 AM to 5:00 PM Monday through Friday. Lessor will provide areas requiring 24/7 HVAC (LAN, etc.) at the rate of \$0.97 per rentable square foot per year. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours.
14. In accordance with SFO Paragraph 4.8, entitled *Janitorial Services*, cleaning services requiring access to the Government's leased space shall be performed between the hours of 7:00 a.m. and 4:30 p.m.
15. All information submitted by the Lessor during negotiations, including but not limited to plans, renderings, specifications, etc., are incorporated by reference.
16. All questions pertaining to this Lease shall be referred in writing to the General Services Administration Contracting Officer or their designee. The Government occupant is not authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized in writing by GSA's Lease Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
17. Wherever the words "offeror" 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 "Leased premises."
18. This Lease, upon execution by the Government, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible too contradict the provisions of this Lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.
19. In accordance with SFO Paragraph 2.5, entitled *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this Lease transaction. The Lessor and CBRE have agreed to a lease commission of [REDACTED] of the Aggregate Lease Value for lease years 1-10 ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon Lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured.

First month's shell rental payment of \$10,698.93 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted first month's shell rent); plus TI's at \$3,050.91 and plus Operating Expense at \$3,183.25 equals a first month's rent of [REDACTED].

Second month's shell rental payment of \$10,698.93 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent); plus TI's at \$3,050.91 and plus Operating Expense at \$3,183.25 equals a second month's rent of [REDACTED].

INITIALS: [Signature] LESSOR & [Signature] GOVT

Third month's shell rental payment of \$10,698.93 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent); plus TI's at \$3,050.91 and plus Operating Expense at \$3,183.25 equals a third month's rent of [REDACTED].

20. Offeror's Tenant Improvement Fee Schedule: Pursuant to the offer dated September 19, 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 [REDACTED] of Total Subcontractors Costs.
 - b. General Contractor's fee will be [REDACTED] of Total Subcontractors Costs.
 - c. Architectural/Engineering will be a [REDACTED] flat fee.
 - d. Lessor's Project Management fee will be [REDACTED] of Total Subcontractors Costs.

INITIALS: W.M. LESSOR & RS GOV'T