

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

10/31/11

Lease No. LID07192

Bldg. No. ID4394

THIS LEASE, made and entered into this date by and between **McFon, LLC**, whose address is: 202 26th Avenue, Lewiston, Idaho 83501-4263, 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 3,290 rentable square feet (RSF) of office and related space, which yields 3,290 ANSI/BOMA Office Area square feet (USF) of space at 2631 Nez Perce Drive, Lewiston, Idaho 83501 to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term estimated to begin on March 1, 2011 and continuing through February 28, 2026, subject to termination and renewal rights as may be hereinafter set forth, subject to beneficial occupancy. Beneficial occupancy shall be memorialized by a separate supplemental lease agreement between the lessor and the government.

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

Years 1-5	Annual Rent	Monthly Rent
<i>Base rent (excl. Maintenance, Management and Insurance costs)</i>	\$50,962.10	\$4,246.84
Shell rent	\$57,612.03	\$4,801.00
Operating Costs	\$19,650.00	\$1,637.50
Taxes	\$11,975.00	\$997.92
T.I.s	\$22,329.87	\$1,860.82
Full Service Rent	\$111,566.90	\$9,297.24
Years 6-10		
<i>Base rent (excl. Maintenance, Management and Insurance costs)</i>	\$62,477.10	\$5,206.42
Shell rent	\$69,127.00	\$5,760.58
Operating Costs	\$19,650.00	\$1,637.50
Taxes	\$11,975.00	\$997.92
T.I.s	\$22,329.87	\$1,860.82
Full Service Rent	\$123,081.87	\$10,256.82
Years 11-15		
<i>Base rent (excl. Maintenance, Management and Insurance costs)</i>	\$78,927.10	\$6,577.26
Shell rent	\$85,555.00	\$7,129.58
Operating Costs	\$19,650.00	\$1,637.50
Taxes	\$11,975.00	\$997.92
T.I.s	\$0.00	\$0.00
Full Service Rent	\$117,180.00	\$9,765.00

Rent for a lesser period shall be prorated. Operating Costs are subject to CPI adjustments. Real Estate Taxes are subject to adjustment. Rent checks shall be made payable to: **McFon, LLC**, P.O. Box 650, Burlington, WA 98233-0650.

4. The Government may terminate this lease in whole or in part at any time on or after the firm term of ten (10) years by giving at least 120 days' prior 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.

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

LESSOR
McFon, LLC

BY *[Signature]*
(Signature)

IN PRESENCE OF *[Signature]*
(Signature)

MANAGING MEMBER
(Title)

P.O. BOX 650
BURLINGTON WA 98233
(Address)

UNITED STATES OF AMERICA

BY *[Signature]*
(Signature)

Contracting Officer, General Services Administration
(Official Title)

5. This paragraph 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 7ID2130 dated February 16, 2009.
 - B. Build out in accordance with standards set forth in SFO 7ID2130 dated February 16, 2009 and [REDACTED] Special Requirements and Specifications. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on actual date of beneficial occupancy, if different from the date identified in Paragraph 2 above.
7. The following are attached and made a part hereof:
 - A. Solicitation for Offers 7ID2130 dated February 16, 2009 (49 pages).
 - B. Amendment No. 1 to SFO 7ID2130 dated August 12, 2010 (1 page)
 - C. [REDACTED], Lewiston Resident Agency, Specific Requirements and Specifications (45 pages)
 - D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [06/08]) (33 pages)
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
 - F. Exhibit A: Floor Plan (1 pages)
8. Per SFO No. 7ID2130, paragraph 3.2 entitled *Tenant Improvement Included in Offer*, the Government requests that the Lessor provide \$148,477.70 toward the cost of the general Tenant Improvements. When the Government exercises the Tenant Improvements, the tenant build out cost of \$148,477.70 (based on \$45.13 per ANSI/BOMA Office Area square foot) will be amortized at a rate of 8.75%. The Government also requires Building Specific Security Improvements, which the Lessor proposes to provide in the amount of \$28,750.00. The Government will pay for these Building Specific Security Improvements by way of lump sum payment, per line item 20, referenced in detail below.
9. In accordance with SFO paragraph 4.2(B)(9) entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 48.74.
10. In accordance with SFO paragraph 4.3 entitled *Operating Costs Base*, the cost of services base is \$19,650.00 per annum for 3,290 square feet of rentable office and related space.
11. In accordance with SFO paragraph 4.1(C) entitled *Common Area Factor*, the common area factor is established as 1.00.
12. This paragraph is intentionally omitted.
13. In accordance with SFO paragraph entitled 4.6 *Overtime Usage*, Overtime usage must be requested orally or in writing by the Contracting Officer or the Contracting Officer's authorized representative.
14. This paragraph is intentionally omitted.
15. Lessor shall provide janitorial service within Tenant's space Monday thru Friday, between the operating hours of 8:30 am and 4:30 pm.
16. The Contracting Officer represents the General Services Administration as an agent with authority to enter into the Lease on behalf of the Government and execute this document in his/her official capacity only and not as an individual

LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____


(Initial)

17. The Government assumes no responsibility for any conclusions or interpretations made by the Lessor based on information made available by the Government and/or its contractors. Nor does the Government assume any responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before execution of this contract unless that understanding or representation is expressly stated in the Lease.
18. 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 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, rent will not be paid for occupancy in whole or in part except for the term specified herein.
19. The Lessor and Broker have agreed to a cooperating lease commission of [REDACTED] of the Base Rent Lease Value for the initial firm term of the lease, or [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit, or [REDACTED] to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this Lease.

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 month of the rental payments and will continue until the commission credit has been accounted for.

The monthly rent adjusted for the commission credit is as follows:

Rent Period	Scheduled Monthly Rent	Scheduled Monthly Shell Rent	Commission Credit Owed	Commission Credit Remaining	Adjusted Monthly Rent Payment
Month 1	\$9,657.55	\$4,801.00	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$9,657.55	\$4,801.00	[REDACTED]	\$0.00	[REDACTED]
Month 3	\$9,657.55	\$4,801.00	\$0.00	\$0.00	\$9,657.55

20. Upon completion, inspection, acceptance of the space by the Contracting Officer, and receipt of an original invoice, the Government shall reimburse the Lessor in a lump sum payment in the amount of \$28,750.00 for the cost of Building-Specific Security Improvements.

The original invoice must be submitted directly to the GSA Finance Office at the following address: General Services Administration; FTS and PBS Payment Division (7BCP); P.O. Box 17181; Fort Worth, TX 76102-0181

A copy of the invoice must be provided to the Contracting Officer at the following address: U.S. General Services Administration, Attn: Michael J. O'Brien, Leasing Contracting Officer; 400 15th Street SW; Auburn, WA 98001-6599

A proper invoice must include the following:

- Invoice date
- Name of the Lessor as shown on the Lease
- Lease contract number, building address, and a description, price, and quantity of the items delivered
- GSA PDN # PS0018398

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it.

21. Any notices required or permitted under this Lease shall be delivered in person or by first class mail as follows:

To Government: U.S. General Services Administration
Attn: Michael J. O'Brien
Leasing Contracting Officer
400 15th Street SW
Auburn, WA 98001-6599

To Lessor: McFon, LLC
Attn: Michael Fohn
P.O. Box 650
Burlington, WA 98233-0650

or at such other address as either party designates in writing to the other.

LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____


(Initial)