

SUBLEASE

This Sublease is effective October 1, 2001, by and between the Regents of the University of Idaho, a state educational institution and a body politic and corporate organized and existing under the Constitution and laws of the State of Idaho (Sublessor), and Bechtel BWXT Idaho, LLC (Sublessee).

1. **PREMISES:** Sublessor hereby subleases to Sublessee approximately 672 rentable square feet as measured using BOMA standards, (R/U ratio of 1.10), of office space located in the facility commonly know as Plaza IV which street address is 800 Park Boulevard, Boise, Idaho, (hereinafter called "Premises"), said Premises being delineated by the crosshatching on Exhibit "A" attached hereto and by this reference made a part hereof. Plaza IV is managed by American Resurgens Management Corporation (the "Landlord").
2. **PURPOSE:** The Premises shall be used for general office purposes. Sublessee shall have access 24 hours, seven days a week to the Premises.
3. **TERM:** The term of this Sublease shall commence on October 1, 2001, and terminate on August 31, 2003. The Sublessor or the Sublessee may cancel the sublease at any time by providing a minimum of ninety (90) days advanced written notice to the other party as provided elsewhere in this agreement.
4. **RENT:** During the term hereof, rent due Sublessor by Sublessee shall be the sum of \$17.00 per rentable square foot per year (full service). Said rent is payable in **arrears via** monthly installments of \$952 due on the **last** day of each month. Rent payments shall be made payable to "Bursar, University of Idaho", and mailed to General Accounting, University of Idaho, Moscow ID 83844-3166 or such different address as Sublessor shall provide to Sublessee by written notice.
5. **UTILITIES:** Sublessor shall provide all utilities at Sublessor's expense.
6. **USES PROHIBITED:** Sublessee shall not do or commit anything to be done in or about the Premises nor bring or keep anything therein which will in any way cause a cancellation of any fire or other insurance upon the building or any of its contents. Sublessee shall not do or permit anything to be done in or about the Premises which will in any way obstruct or interfere with the rights of other tenants or occupants of adjacent Premises, or use or allow the Premises to be used for any immoral, unlawful or objectionable purpose, nor shall Sublessee cause, maintain or permit any nuisance in on or about the Premises. Sublessee shall not commit or suffer to be committed any waste in or upon the Premises.
7. **COMPLIANCE WITH LAW:** Sublessee shall not use or permit anything to be done in or about the Premises which will violate any law, statute, ordinance or government rule, regulation or requirement now in force or which may hereafter be enacted or promulgated, and

Sublessee agrees to comply with all laws, statutes, ordinances and governmental rules, regulations or requirement now in force or which may hereafter be in force and with the requirements of any board of fire underwriters or other similar body now or hereafter constituted relating to or affecting the condition, use or occupancy of the Premises.

8. ALTERATIONS: Sublessee shall not make or suffer to be made any alterations, additions or improvements to or of the Premises. Sublessee may request alterations which, if approved by Sublessor, shall be performed in compliance with the underlying lease referenced in Section 16 of this Sublease. Details of alterations approved by Sublessor and Landlord shall be forwarded to Sublessee in advance of work being performed and shall include reasonable cost estimates. Payment for alterations or improvements shall be made lump sum by Sublessee within thirty (30) days of Sublessor's submittal of a detailed invoice. Movable furniture, equipment, freestanding partitions and trade fixtures shall be and remain the property of Sublessee. Sublessee shall repair any damage to the Premises caused by the removal of Sublessee's fixtures or equipment upon termination of this Sublease and vacation of the Premises.

9. REPAIR: Upon commencement of the term hereof Sublessee accepts the Premises as being in good, sanitary order, condition and repair. Sublessee, at Sublessee's sole cost and expense, shall keep the Premises in good condition and repair, damage thereto by fire, earthquake, act of God or the elements excepted. Upon the expiration of the term hereof Sublessee shall surrender the Premises to Sublessor in the same condition as when received, ordinary wear and tear and damage by fire, earthquake, act of God or the elements excepted.

10. ABANDONMENT: Should Sublessee abandon or surrender, or be dispossessed of the Premises by process of law, any personal property belonging to Sublessee and left on the Premises for more than 15 days beyond the date of such abandonment, surrender or dispossession thereof, shall be deemed, at the election of Sublessor, to be abandoned.

11. LIENS: Sublessee shall not permit any mechanics', materialmen's or other liens to be filed arising out of work performed by Sublessee or on Sublessee's behalf repairing the Premises following removal of Sublessee's furniture, fixtures or equipment, in the event such repair is necessary.

12. ASSIGNMENT AND SUBLETTING: Sublessee shall not mortgage, pledge, hypothecate or encumber this Sublease or any interest therein. Sublessee shall not assign this Sublease or sublet, or suffer any other person (the agents and servants of Sublessee excepted) to occupy or use the Premises, or any part thereof, or any right or privilege appurtenant thereto without the prior written consent of Sublessor. Any assignment, subletting, occupation or use in violation of this paragraph shall be void and, at the option of Sublessor, shall terminate this Sublease.

13. NOTIFICATION OF CLAIMS, DAMAGE or LIABILITY: Sublessee shall promptly notify the University of Idaho Administrative Affairs Office, Moscow, Idaho 83844-3164, of any

claim, damage or liability to any person or property that may be suffered or incurred through the occupancy and use of the Premises of which it has knowledge. The Sublessee shall cooperate with the University or its representatives in the investigation and defense of the same.

14. **INSURANCE:** It is understood and agreed that Sublessee is a prime contractor for the U.S. Department of Energy, pursuant to its Prime Operating Contract No. DE-AC07-99ID13727. As such, Bechtel BWXT Idaho, LLC is directed by Government policy regarding its liability and property damage insurance coverage. Its liability ceiling is \$300,000 and property damage is \$300,000 per occurrence. Above those ceilings a self-insurance status exists through the United States Government. It is agreed that this arrangement will fulfill the Sublessee insurance obligations under this Sublease; provided however, that this provision does not constitute a waiver of subrogation or entitlement in law by either party.

15. **SUBORDINATION:** This Sublease shall be subject and subordinate at all times to the lien of any mortgages or deeds of trust in any amount or amounts whatsoever now or hereafter placed on or against the Premises or against the Sublessor's interest or estate therein without the necessity of having further instruments on the part of Sublessee to effectuate such subordination. Sublessee covenants and agrees to execute and deliver, upon demand, such further instruments as may be required to effect the subordination of this Sublease to any such mortgages or deeds of trust.

16. **UNDERLYING LEASE:** This Sublease is subordinate to and subject to the terms and conditions of that certain Lease Agreement dated October 16, 1989, said Lease Agreement being entered into by and between Emkay Development Company, Inc., Lessor, and the Regents of the University of Idaho, Lessee; or amendments thereto except to the extent that said Lease Agreement or amendments conflict with or includes terms not contained in this Sublease.

17. **ENTRY BY SUBLESSOR:** Sublessor reserves and shall, during normal business hours, have the right to enter the Premises to inspect the same to post notices of non-responsibility, and to alter or repair the Premises provided the business of Sublessee shall not be interfered with unreasonably. In an emergency, Sublessor shall have the right to use any and all means which Sublessor may deem proper to obtain entry to the Premises, *and any such emergency entry to the Premises* obtained by Sublessor by any of said means shall not under any circumstances be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction of Sublessee from the Premises or any portion thereof.

18. **DEFAULT:** In the event of any breach of this Sublease by Sublessee, Sublessor shall provide written notice of the breach or default to Sublessee. Thereafter, Sublessee shall have 30 days to cure the breach or default. However, if Sublessee cannot with due diligence wholly cure the breach or default within 30 days, Sublessee shall have such longer period as is necessary to cure the breach or default so long as Sublessee is proceeding with due diligence and advises the Sublessor from time-to-time, if requested, about the actions taken and progress being made to cure the breach or default. If Sublessee fails to cure or to proceed to attempt with due diligence

to affect a cure, Sublessor shall have the right to terminate Sublessee's right to possession of the Premises and thereby terminate this Sublease.

19. DAMAGE BY FIRE, ETC.: If the building is totally or materially destroyed, by fire or other casualty, or damaged to such an extent that restoration would be economically unfeasible notwithstanding the availability of insurance proceeds, then this Sublease shall terminate as of the date of such destruction or damage. In the event of minor damage by fire or other casualty, Sublessor shall have no liability to pay for any cost of restoration or repairs of Sublessee's personal property, such cost of restoration to be the sole responsibility of Sublessee, unless damage was caused by the intentional or negligent acts or omissions of Sublessor, its employees, agents, or representatives. In the event this Sublease is terminated under the conditions of this paragraph, Sublessor shall promptly refund to Sublessee any rent theretofore paid for any period of time subsequent to the termination date.

20. EMINENT DOMAIN: (a) If at any time during the term or extended term hereof, the whole of the Premises, or so much thereof as to render the balance unusable for the intended use of Sublessee, as said use is defined herein, shall be taken for any public or quasi-public use, under any statute, or by right of eminent domain, or by conveyance in lieu thereof, then, in such event when title shall have been taken thereunder of the Premises by the condemning authority, the term hereby granted, and all right of the Sublessee hereunder, shall immediately cease and terminate, and the rent shall be apportioned and paid to the time of such termination. Sublessor reserves to himself, and Sublessee assigns to Sublessor all rights to awards or damages accruing on account of any such taking or condemnation or by conveyance in lieu thereof, or by reason of any act of any public or quasi-public authority for which awards or damages are payable.

(b) Subject to prior review and approval by Sublessee, Sublessee agrees to execute such instruments of assignment as may be required by Sublessor, to join with Sublessor in any petition for the recovery of awards or damages, if so requested by Sublessor, and to turn over to Sublessor any such awards or damages that may be recovered in any such proceeding. Sublessor agrees to reimburse Sublessee for all reasonable costs, including reasonable attorney fees, associated with Sublessee's obligations under this subparagraph b.

21. WAIVER: The waiver by Sublessor or Sublessee of performance of any term, covenant or condition herein contained shall not be deemed to be a permanent waiver of such term, covenant or condition for any subsequent breach of the same or any other term, covenant or condition herein contained. The subsequent acceptance of rent hereunder by Sublessor shall not be deemed to be a waiver of any preceding breach by Sublessee of any term, covenant or condition of this Sublease, other than the failure of Sublessee to pay the particular rent so accepted, regardless of Sublessor's knowledge of such preceding breach at the time of acceptance of such rent.

22. NOTICES: All notices and demands which may or are required to be given by either party to the other hereunder shall be in writing. All notices and demands by Sublessee to Sublessor shall be delivered personally or sent by United States mail, postage prepaid or by

express carrier, addressed to Sublessor; Vice President, Finance and Administration, University of Idaho, Moscow, Idaho 83844-3168, or to such other place *as Sublessor may from time to time designate in writing*. All notices and demands by Sublessor to Sublessee shall be sent by United States mail, postage prepaid or by express carrier, addressed to Sublessee at Procurement, Bechtel BWXT Idaho, LLC, 2525 Fremont Ave, PO Box 1625, Idaho Falls ID 83415-3521, or to such other place *as Sublessee may from time to time designate in writing*.

23. APPLICABLE LAW: This Sublease shall in all respects be governed by the laws of the State of Idaho.

24. SUCCESSORS: The covenants and conditions herein contained shall be binding upon and inure to the benefit of the heirs, successors, executors, administrators and assigns of the parties hereto.

25. ENTIRE AGREEMENT: This Sublease constitutes the entire agreement between Sublessor and Sublessee and no promises or representations, express or implied, either written or oral, not herein set forth shall be binding upon or inure to the benefit of Sublessor or Sublessee. This Sublease shall not be modified by any oral agreement, either express or implied, and all modifications hereof shall be in writing and signed by both Sublessor and Sublessee.

26. PARKING: Sublessee may have access to parking facilities operated by the landlord consistent with those privileges afforded other tenants in Plaza IV. Arrangements for parking can be made by contacting the main security desk in the lobby of Central Plaza located directly west of Plaza IV.

27. TELECOMMUNICATIONS: The Sublessee shall be solely responsible for the installation and maintenance of the Sublessee's telecommunications system(s).

28. JANITORIAL: Sublessor shall provide typical janitorial services for the Premises at the expense of the Sublessor.

29. LOADING DOCK: Sublessee shall have the right during normal business hours, to use the loading dock in the basement of Central Plaza.

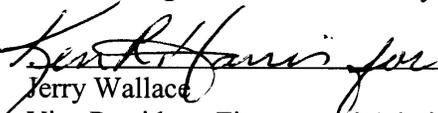
30. SIGNAGE: Signage identifying the Sublessee will be installed next to the door at the entrance to the Premises using building standard signage as specified by the Landlord. The Sublessor may request installation of additional signs as needed for operations. All proposed signs must be approved by Landlord and Sublessor prior to installation. Such approval shall not be unreasonably withheld.

31. FACILITY MEETING ROOMS: Sublessee may schedule and use meeting rooms and other services located within the facility, as they are available. Any charges for use of the rooms or services shall be according to the rate structure established from time to time by the Landlord and shall be the Sublessee's responsibility.

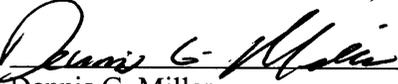
32. TENANT IMPROVEMENTS: There shall be no tenant improvement allowance. Sublessee shall pay the proportional expenses for any remodeling or modifications attributable to the space occupied by the Sublessee and for any furnishings or fixtures constructed and installed specifically for the Sublessee. The Sublessor shall prepare an accounting of the expenses of any remodeling or modifications to the space and provide the accounting to the Sublessee. Payment for the tenant improvements is due within thirty (30) days of receipt of the accounting.
33. MAIL CENTER: Sublessor has made available to Sublessee, MK's competitively priced mail center and copy center services. Sublessor will provide to Sublessee the currently available mail and copy services to Sublessee on a job order, or for long term work, on a negotiated basis, as required, or as a continuous requirement whichever best fits the scope of work. These services are available to both the Sublessee functions located with the MK campus and to all Sublessee entities located in the Boise Valley.
34. SEVERABILITY: If any provision of this Sublease or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Sublease and the application of such provisions to other persons or circumstances shall not be affected thereby and shall be enforced to the greatest extent permitted by law.
35. SECURITY: Landlord shall provide security services to Sublessee employees subject to the security services availability. Sublessee employees occupying the premises after hours may notify the security services and request periodic checks and parking lot escorts. These services shall also be subject to the security services availability.

IN WITNESS WHEREOF Sublessor and Sublessee have executed this Sublease on the last date shown below.

SUBLESSOR: Regents of the University of Idaho

By: 
Jerry Wallace
Title: Vice President, Finance and Administration
Date: 11-1-02

SUBLESSEE: Bechtel BWXT Idaho, LLC

By: 
Dennis G. Miller
Title: Subcontract Administrator
Date: 10-21-02