

LEASE AGREEMENT NO. K00-559752

BETWEEN

SNAKE RIVER DEVELOPMENT LLC

AND

BECHTEL BWXT IDAHO, LLC

THIS LEASE, entered into the 19th day of April, 2000 by and between Snake River Development, LLC, whose business address is 2582 West Heyrend Way, Idaho Falls, ID (hereinafter called the "Landlord"), and BECHTEL BWXT IDAHO, LLC. (hereinafter called the "Tenant"), an Idaho corporation with operating offices in Idaho Falls, Idaho, acting under its Contract No. DE-AC07-99ID13727 with the United States of America, represented by the United States Department of Energy (called "DOE" or the "Government");

WITNESSETH THAT

The parties hereto, for the considerations hereinafter set forth, covenant and agree as follows:

ARTICLE 1 - BASIC LEASE PROVISIONS

The following is a summary of certain lease provisions which are a part of, and in certain instances, are referred to in more detail in subsequent articles of this lease. The content of this article shall not prevail against the content of articles to follow:

- a. **LANDLORD:** Snake River Development, LLC
- b. **TENANT:** Bechtel BWXT Idaho, LLC
- c. **SIZE OF PREMISES:** 7,000ft² approximate gross area
- d. **TERM:** 18 months firm term, and one, one-year option exercisable by Tenant
- e. **RENT:** \$2,911.00 per month during firm term, and \$2,350 per month during option term
- f. **CANCELLATION** Cancellable by Tenant any time during option term

g. SERVICES:

	<u>Landlord</u>	<u>Tenant</u>
Roof Maintenance	X	
Facility Insurance	X	
HVAC	X	
Real Estate Taxes	X	
Building Maintenance	X	
Parking Lot Maintenance	X	
Janitorial Service		X
Utilities		X
Snow Removal	X	

h. LANDLORD PROPERTY MANAGER: Justin W. Dee PHONE: 208-528-2311

ARTICLE 2 - DESCRIPTION OF PREMISES

The premises which are the subject of this Lease consist of:
Approximately 7,000 square feet of space located at 2556 W. Heyrend Way, Idaho Falls, Idaho; to include approximately 6,600 square feet of high bay area, 340 square feet of office area (office to be constructed within 30 days of lease execution and prior to occupancy and lease commencement), 60 square feet bathroom, and approximately 7,930 square feet of outdoor storage/laydown area (to be asphalted within 30 days of lease execution).

ARTICLE 3 - TITLE

The Landlord warrants it has title to the property covered by this Lease, or sufficient interest and rights in the property to guarantee the Lease agreement with no interference to the Tenant's rights of possession under the Lease. Should the Tenant suffer any damages or expenses as the result of any defect in the Landlord's title or rights and interests in the property, the Landlord shall reimburse the Tenant for all such damages or expenses.

ARTICLE 4 - APPLICABLE CODES AND ORDINANCES

The Landlord, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and establishment of the premises at its own expense, to

obtain all necessary permits and related items. The Tenant agrees to comply with all codes and ordinances applicable to its tenancy and use of the said premises.

ARTICLE 5 - TERM OF LEASE AND EXTENSION

TO HAVE AND TO HOLD the above premises with their appurtenances for the term of 18 months beginning upon date of occupancy/acceptance (target: ^{MAY 1, 2000} May 1, 2000) to be confirmed in writing by the parties, and ending at midnight 18 months thereafter, provided that this Lease may at the option of the Tenant, be renewed for a period of twelve months at the rental rate specified in the following Article 6 and under the terms and conditions specified herein, provided notice be given in writing to the Landlord at least thirty (30) days before this Lease or any renewal thereof would otherwise expire, that the option is exercised.

Payment by Tenant and acceptance of payment by Landlord of the first month's rent for the option renewal term shall constitute exercise of the renewal option irrespective of timely submittal by Tenant of notice to renew.

ARTICLE 6 - RENTAL PAYMENTS

- A. The Tenant will pay the Landlord rent in the monthly amount of \$2,911.00, commencing with the occupancy/commencement date of this Lease during the firm 18 month term, and in the monthly amount of \$2,350.00 during the option term, if exercised by Tenant.
- B. All rental payments under this Lease will be made by the Tenant on a calendar month basis, in arrears, beginning at the end of the first calendar month of the Lease term, without submission of invoices or vouchers.
- C. If the effective date of this Lease is not on the first day of a month, the rental payment for the first month of occupancy by the Tenant shall be determined on a pro rata basis for the month occupancy/lease commencement occurs.

ARTICLE 7 - AVAILABILITY OF FUNDS

The Tenant's obligation hereunder is contingent upon the availability of appropriated funds from

the United States Congress from which payment for the Lease purposes can be made. No legal liability on the part of the Tenant or the Government for payment of any money shall arise unless and until the funds are made available to the Tenant from year-to-year for this lease.

ARTICLE 8 - CANCELLATION

The Tenant shall have the right to cancel the lease at any time during the option term(s), upon 60 days written notice, and without penalty of any kind.

ARTICLE 9 - TAXES, UTILITIES AND BUILDING SERVICES

- A. The Landlord shall pay all real estate taxes which may be assessed against the premises leased hereunder during the term or option term(s) of the lease.
- B. Tenant may share Landlord's dumpster at no charge, but upon Landlord request, shall arrange own garbage disposal at Tenant's expense. Tenant will pay, when due, all other utilities as required by the Tenant's use and occupancy of said premises.
- C. Day-to-day janitorial services and supplies shall be provided by the Tenant at its expense.
- D. Snow removal shall be provided by the Landlord at its expense, to same frequency applied to Landlord's own nearby parking lot. If snow removal frequency is unacceptable to Tenant, it may acquire snow removal services at its expense.
- E. Routine and preventative maintenance of mechanical systems and interior/exterior fixtures and surfaces shall be provided by Landlord to include replacement of fluorescent tubes and ballast, electrical fuses, air filters, painting, and refurbishing as needed.

ARTICLE 10 - MAINTENANCE OF PREMISES

The Landlord warrants the mechanical equipment and the utilities to be in good serviceable and proper operating condition. The Landlord shall maintain the demised premises, including the parking lot, and any and all equipment, fixtures, and appurtenances (including all plumbing, heating, cooling systems, and all electrical and mechanical devices and fixtures).

ARTICLE 11 - FAILURE IN PERFORMANCE

In the event of failure by the Landlord to provide any obligation, service, utility, maintenance, or

repairs required of it under this Lease within a reasonable time after written notice to the Landlord, the Tenant shall have the right to secure said obligations, services, utilities, maintenance, or repairs and shall deduct the cost thereof from rental payments.

ARTICLE 12 - HAZARDOUS SUBSTANCES

Landlord will indemnify and hold harmless Tenant, DOE and the federal government from all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including, without limitation, all sums paid for settlement of claims, attorneys fees, consultant and expert fees) arising during or after the lease term for or in connection with the presence of hazardous substances in or on the premises from the action or inaction of Landlord or its agents, officers, or employees. This indemnification includes, but is not limited to, any costs incurred due to any investigation of the site or any cleanup, removal, or restoration mandated by federal, state, or local agency or political subdivision. This indemnification specifically includes all costs due to hazardous substances that flow, diffuse, migrate or percolate into, onto, or under the premises after the lease term commences. Hazardous substances, as used in this article, include those substances within the definition for hazardous substance under CERCLA at 40 C.F.R. 300.5. The Landlord shall remove or otherwise dispose of such hazardous substances in accordance with all federal, state and local laws, regulations and ordinances.

ARTICLE 13 - INSURANCE

It is agreed that the Landlord and Tenant shall respectively obtain whatever insurance that they may consider prudent and necessary to protect their respective and separate best interests and that neither party shall be obliged to obtain insurance as regards the other party's real or personal property; provided, however, that this provision shall not be construed as a waiver of any rights of subrogation or entitlements in law by either party.

ARTICLE 14 - ALTERATIONS

- A. The Tenant shall have the right during the term of this Lease to make alterations or modifications, or to attach fixtures and erect signs in or upon the premises hereby leased, which fixtures, alterations and/or signs so placed in or upon or attached to the said premises shall be and remain the property of the Tenant or the Government as the case

may be, and may be removed therefrom by the Tenant prior to the expiration of this Lease.

At the option of the Tenant, such improvements may be left upon the premises upon termination or expiration of the term or extended term of this Lease; in which case, such improvements shall become the property of the Landlord. In the event the improvements are removed by the Tenant, then Tenant agrees to restore the premises to the condition in which they were prior to the installation, reasonable wear and tear excepted. Plans for structural change shall be submitted to the Landlord for approval, which approval shall not be unreasonably withheld.

- B. Title to property of the United States Government shall not be affected by the incorporation of the property into or the attachment of it to any property not owned by the Government, nor shall such Government property, or any part thereof, be or become a fixture or lose its identity as personalty by reason of affixation to any realty.

ARTICLE 15 - DESTRUCTION OF PREMISES

- A. In the event of a partial destruction of the said premises during the said term, or any extension thereof, from any cause, the Landlord shall forthwith repair the same, provided such repairs can be made within sixty (60) days from the date of said partial destruction; but such partial destruction shall in no way annul or void this Lease, except that the Tenant shall be entitled to a proportionate reduction of rent from the date of such partial destruction and continuing until such repairs are made, such proportionate reduction to be based upon the extent to which the making of such repairs shall interfere with the business carried on by the Tenant in the said premises.
- B. In the event of partial destruction to such extent that the Landlord cannot, with normal effort, complete the necessary repairs to restore the premises within sixty (60) days as hereinabove provided, the Landlord shall, within fifteen (15) days after such partial destruction of the said premises, advise the Tenant of its inability to complete the necessary repairs and restoration within sixty (60) days. In such event, the parties shall agree as to a reasonable time in which the repairs will be completed. Should the parties fail to agree as to an acceptable time to complete such repairs, the failure to agree shall

constitute a "dispute" within the "Disputes" article of this Lease. If Bechtel BWXT Idaho, LLC, DOE or one of its other prime contractors is then the Tenant, or alternatively at the option of either party, the Lease may be terminated if agreement is not reached within thirty (30) days.

- C. A total destruction of the building in which said premises may be situated shall terminate this Lease.

ARTICLE 16 - ASSIGNMENT AND/OR SUBLEASING

The Tenant shall have the right, at any time, to assign or sublet the premises hereby leased or any part thereof to the Government or the Government's designee without the consent of the Landlord, and upon such assignment, DOE will guarantee payments hereunder. Should such assignment or subletting be for only a part of the premises, then the rental will be proportionately divided between the Tenant and any successor; provided that, responsibility for payment of the rent shall not be divided between more than two (2) parties. Any assignment or subleasing hereunder will be conditioned upon the use of any part of the leased premises being compatible with the function and purposes of the total facility.

ARTICLE 17 - ADMINISTRATION

- A. The Landlord agrees, unless the Tenant is otherwise notified in writing, that Justin W. Dee (Telephone # 208-528-2311) and/or his duly authorized representative will have overall responsibility and authority under the Lease, and unless a change in assignment is made by the Landlord, he and/or his duly authorized representative will be available at all reasonable times in connection herewith.
- B. It is agreed that, unless the Landlord is otherwise notified in writing, Tenant's responsibilities under this Lease shall be administered by the Director of Procurement and Property of Bechtel BWXT Idaho, LLC and/or his/her duly authorized representative, who is Dennis G. Miller, Subcontract Administrator.

ARTICLE 18 - NOTICES

Any notice or order given under the terms of this Lease shall be considered as having been given:

- A. To the Tenant, if delivered personally to the designated representative of the Director of Procurement and Property of Bechtel BWXT Idaho, or if mailed by U. S. Mail, certified letter return receipt requested, addressed to Bechtel BWXT Idaho, LLC, Manager, Operations Subcontracts, P. O. Box 1625, Idaho Falls, Idaho 83415-2082 or

- B. To the Landlord, if delivered personally to its duly authorized representative at 2582 W. Heyrend Way Idaho Falls, ID 83402 or, if mailed by U. S. Mail, addressed to P.O. Box 3118, Idaho Falls, ID, 83403-3118.

ARTICLE 19 - LANDLORD'S SUCCESSORS

The terms and provisions of this Lease and the conditions herein shall bind the Landlord, and the Landlord's heirs, executors, administrators, successors, and assigns.

ARTICLE 20 - DISPUTES

- A. The parties agree that the appropriate forum for resolution of any dispute of claim pertaining to this Lease shall be a court of competent jurisdiction as follows:
 - 1. Subject to paragraph (a) (2) of this clause, any such litigation shall be brought and prosecuted exclusively in Federal District Court; with venue in the United States District Court for the District of Idaho in Pocatello, Idaho.

 - 2. Provided, however, that in the event that the requirements for jurisdiction in any Federal District Court are not present, such litigation shall be brought in the District Court of the Seventh Judicial District of the State of Idaho, in and for the County of Bonneville, with venue in the District Court of the Seventh Judicial District for the District of Idaho in Idaho Falls, ID.

- B. Any substantive issue of law in such dispute, claim, or litigation shall be determined in accordance with the body of law applicable to procurement of goods and services by the

Federal Government. Nothing in this clause shall grant to the Landlord by implication any statutory rights or remedies not expressly set forth in this Lease.

- C. There shall be no interruption of this Lease during the pendency of any dispute that may arise between the parties hereto or between the Landlord and its subcontractors in support of this Lease.

ARTICLE 21 - FORCE MAJEURE

If either Landlord or Tenant is delayed, hindered or prevented from performing any act required under this Lease because of acts of God, failure of utility power, riots, civil commotion, insurrection, war, or other reasons not the fault of the party delayed, hindered or prevented, and is beyond their control (financial inability excepted), performance of the action in question is excused for the period of delay and the period for performance of such act is extended for a period equivalent to the period of the delay.

ARTICLE 22 - ARTICLES INCORPORATED BY REFERENCE

The following Federal Acquisition Regulation (FAR) clauses are incorporated herein by reference.

1. Clean Air and Water, FAR 52.223-2 (\$100,000)
2. Affirmative Action for Workers with Disabilities, FAR 52.222-36
3. Affirmative Action for Special Disabled and Vietnam Era Veterans FAR 52.222-35 (\$10,000)
4. Utilization of Small Business Concerns and Small Business Concerns Owned and Controlled by Socially and Economically Disadvantaged Individuals, FAR 52.219-8
5. Utilization of Women-Owned Small Businesses, FAR 52.219-13

LANDLORD

SNAKE RIVER DEVELOPMENT, LLC

By Justin W. Dae
Title President

TENANT

BECHTEL BWXT IDAHO, LLC.

By James C. Miller
Title Subcontract Administrator