

Escrow #: 46112AKE

Grantee Approval: *[Signature]*

**WARRANTY DEED**  
(CORPORATE FORM)

94021309

SCT, Inc., a Montana Corporation Montana, a corporation organized and existing under the laws of the State of Idaho, with its principal office at 616 WEST ARTEMOS DR. MISSOULA, MT 59803 of County of Missoula, State of Idaho, grantor, hereby CONVEYS or GRANTS and WARRANTS TO IDAHO STATE UNIVERSITY Montana

of ISU BOX 8219, POCA TELLO, IDAHO 83209  
TEN DOLLARS AND NO/100

grantee  
for the sum of  
  
DOLLARS,  
County,

the following described tract(s) of land in BANNOCK State of Idaho:

Lots 7, 8, 9 and 10 in Block 305 of POCA TELLO TOWNSITE, Bannock County, Idaho, as the same appears on the official plat thereof, filed in the office of the County Recorder of Bannock County, Idaho.

Location of above described property 1055 SO. 5TH AVE.

The officers who sign this deed hereby certify that this deed and the transfer represented thereby was duly authorized under a resolution duly adopted by the board of directors of the grantor at a lawful meeting duly held and attended by a quorum.

In witness whereof, the grantor has caused its corporate name and seal to be hereunto affixed by its duly authorized officers this 25 day of November, A.D. 1994

SCT, Inc. (CORPORATE NAME)

(CORPORATE SEAL)

By *[Signature]*  
STEVEN STEVENS STEVE L. STEVENS PRESIDENT

Attest: *[Signature]*  
CINDY HUGHES SECRETARY

State of Idaho  
County of Kootenai ss.

On the 25th day of November, A.D. 19 94  
personally appeared before me  
STEVEN STEVENS and CINDY HUGHES  
who being by me duly sworn did say,  
each for himself, that he, the said STEVEN STEVENS  
is the president, and she, the  
said CINDY HUGHES  
is  
the secretary of SCT, Inc.

a corporation, and that the within and foregoing instrument was signed in behalf of said corporation by authority of a resolution of its board of directors and said  
STEVEN STEVENS and CINDY HUGHES  
did each duly acknowledge to me that said corporation executed the same and that the seal affixed is the seal of said corporation.

*[Signature]*  
(NOTARY PUBLIC)

My residence is Hayden Lake, Id.  
My commission expires 5-16-98  
(NOTARY SEAL)

STATE OF IDAHO, COUNTY OF  
I hereby certify that this instrument was filed for record at the request of

at \_\_\_\_\_ minutes past \_\_\_\_\_ o'clock m., this  
19 \_\_\_\_\_, in my office, and duly recorded in  
Book \_\_\_\_\_ of Deeds at page \_\_\_\_\_

Ex-Officio Recorder  
By \_\_\_\_\_ Deputy.

Fees \$ \_\_\_\_\_  
Mail to: \_\_\_\_\_

94021309  
NO. RECORDED AT REQUEST OF  
PIONEER TITLE  
94 NOV 30 AM 126

OFFICIAL RECORD BOOK NO 629  
BANNOCK COUNTY IDAHO  
LARRY HUGHAN RECORDER  
EE 3.00 DEPUTY *[Signature]*

LOWE'S BLUE

1940-1941

1940-1941

1940-1941

1940-1941

1940-1941

1940-1941





C / I REAL ESTATE  
PURCHASE AND SALE AGREEMENT  
(CONTINUED)

ID# 0001336

- 15. RISK OF LOSS. Should the Property be materially damaged by fire or other cause prior to closing, unless Buyer has taken possession prior to closing by Agreement, this agreement shall be voidable at the option of the Buyer. 87
- 16. CONDITION OF PROPERTY AT CLOSING. Buyer agrees to purchase the Property in as is condition, where is, with all faults. Buyer will assume all obligations with respect to the Property. Seller shall maintain the property until the closing in its present condition, ordinary wear and tear excepted, and less by casualty. The heating, venting, air conditioning, plumbing, elevators, inlaid floors and electrical systems shall be in present operating order and good repair at the time of closing, unless otherwise agreed to in writing. 88
- 17. INSPECTION. The Buyer hereby acknowledges further that Buyer has not received or relied upon any statements or representations by the Broker or Broker's representatives or by the Seller which are not herein expressed. The Buyer has entered into this agreement relying upon information and knowledge obtained from Buyer's own investigation or personal observation of the premises. 89
- 18. ADDITIONAL PROVISIONS. Additional provisions of this Real Estate Purchase and Sale Agreement, if any, are attached hereto by an addendum consisting of 0 pages. 90
- 19. AGENCY DISCLOSURE. At the time of signing this agreement the agent working with the Buyer represented seller and the agent working with the Seller represented seller. Each party signing this document confirms that prior written disclosure of agency was provided to them in this transaction. Each party to this transaction has read and understands the contents of the agency disclosure brochure previously received. 91
- Listing Agency: Gate City Real Estate Co. Selling Agency: Gate City Real Estate Co. 102
- By: Jim Morphey Title \_\_\_\_\_ Dyc: Jim Morphey Title \_\_\_\_\_ 103
- 20. ENTIRE AGREEMENT. This agreement, including any addendums or exhibits, constitutes the entire agreement between the parties and no warranties, including any warranty of habitability, agreements or representations have been made or shall be binding upon either party unless herein set forth. 104
- 21. TIME IS OF THE ESSENCE IN THIS AGREEMENT. 105
- THIS IS A LEGALLY BINDING AGREEMENT. IF NOT UNDERSTOOD BUYER AND SELLER ARE ADVISED TO SEEK THE ADVICE OF COMPETENT LEGAL COUNSEL. 106
- Buyer: [Signature] Buyer's Address 1540a 8219 109
- [Signature] Vice President Pocatello, ID 83209-8219 110
- Buyer's Telephone \_\_\_\_\_ 111
- Seller: SCT Inc BY Seller's Address 616 W Artesanos Drive 112
- [Signature] vice pres Missoula MT 59808 113
- Seller's Telephone 406-721-4191 114

ADDENDUM

\_\_\_\_\_ 115

\_\_\_\_\_ 116

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\_\_\_\_\_ 118

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\_\_\_\_\_ 126

\_\_\_\_\_ 127

\_\_\_\_\_ 128

Each of the parties acknowledges reading and understanding the Addendum (if any) in full. 129

Buyer's Initial \_\_\_\_\_ Seller's Initial \_\_\_\_\_ 130

STATE OF IDAHO ) 131

County of \_\_\_\_\_ ) 132

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me, the undersigned, a Notary Public in and for said state, personally appeared \_\_\_\_\_ 133

known to me to be the person(s) who signed the foregoing instrument as Seller and acknowledged to me that \_\_\_\_\_ he \_\_\_\_\_ executes the same. IN WITNESS WHEREOF, I have hereunto set my hand and without my seal the day and year first above written. 134

Notary Public for Idaho \_\_\_\_\_ Ranking of \_\_\_\_\_ Comm. Exp. \_\_\_\_\_ 135

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All rights reserved 1991

THIS FORM TO BE USED ONLY  
by members of the National  
Association of REALTORS

C I I FORM  
901

City, State: Pocatello, ID  
Address: \_\_\_\_\_ S. 5<sup>th</sup> Avenue  
L/C: 011-0013

RECEIVED  
DEC 22 2016  
PUBLIC WORKS

### GROUND LEASE

This Ground Lease ("**Lease**") dated April 6, 2017 is between **IDAHO STATE UNIVERSITY**, an institution of higher education, ("**Landlord**"), and **McDONALD'S USA, LLC**, a Delaware limited liability company ("**Tenant**"). For service of notices under this Lease, see Article 17.

1. **Premises:** Landlord, for and in consideration of the covenants contained in this Lease and made on the part of Tenant, demises and leases to Tenant, and Tenant leases from Landlord, the parcel of land owned by Landlord located in the City of Pocatello, County of Bannock, State of Idaho, having a frontage of not less than 120 feet on S. 5<sup>th</sup> Avenue, containing not less than 20,400 square feet (not including roads or public rights-of-way), more particularly described on Exhibit A ("**Leased Space**") together with all of Landlord's easement rights and appurtenances thereto, all buildings and improvements now located on the Leased Space, and all necessary easements and appurtenances in Landlord's adjoining and adjacent land, highways, roads, streets, lanes, whether public or private, reasonably required for the installation, maintenance, operation and service of sewers, water, gas, drainage, electricity and other utilities and for driveways and approaches to and from abutting highways, for the use and benefit of the Leased Space, including the improvements to be erected on the Leased Space (the Leased Space, together with the easements and appurtenances described above and buildings and improvements existing on the date of this Lease are collectively referred to as the "**Premises**"). The easements, if any, are described on Exhibit A attached. If Tenant has the Premises or any portion thereof surveyed, then, at Tenant's option, the parties will execute a recordable amendment by which the survey description(s) are inserted in lieu of the description(s) contained on Exhibit A, but Tenant is not obligated to lease less than is described above.

### 2. Lease Term:

A. **Primary Term:** Tenant will have and hold the Premises for a term commencing on the date of the final execution of this Lease ("**Lease Commencement Date**") and ending 20 years from the date upon which Tenant opens for business in the Leased Space as developed in connection with the rebuild or remodel of the improvements located on Tenant's adjacent property ("**Tenant's Adjacent Property**") depicted on Exhibit A-1\* attached ("**Primary Term**"). When the Primary Term is ascertainable and specifically fixed, or otherwise agreed to by Landlord and Tenant, Landlord and Tenant will enter into a supplement, suitable for recording, that will specify the actual dates of rent commencement and of the expiration of the Primary Term. If Landlord fails to execute and return the supplement within 15 days after delivery to Landlord, Tenant may execute and record the supplement on behalf of Landlord and Landlord appoints Tenant as its attorney-in-fact for such purpose.

B. **Option to Extend:** Landlord agrees that the Primary Term will be automatically extended for 4 successive option periods of 10 years each (each, an "**Option Period**") upon the same terms and conditions as contained in this Lease. No notice or act whatsoever is required by Tenant to extend this Lease. However, Tenant may, in its sole discretion, elect to do the following by sending notice to Landlord at least 90 days prior to the expiration of the Primary Term or any Option Period:

16,988

\*as Parcel 3

INITIAL  
SW 4-6-17

INITIAL  
SW 4-6-17

\*\*as  
Parcel 1  
and Parcel 2

INITIAL  
SW 4-6-17

INITIAL  
SW 4-6-17

Tenant will pay the real estate taxes Tenant is obligated to pay directly to the taxing authority. Landlord agrees to give Tenant prompt notice of a separate assessment and separate tax bill to allow Tenant to avoid penalties and interest. If Landlord is unable to obtain such separate assessment and separate tax bill, and the tax bill covering the Leased Space includes property other than the Leased Space, Tenant will pay a fraction of the tax bill to Landlord calculated in the following manner: (i) in the case of land, if the land comprising the Leased Space is not separately assessed and included in a separate tax bill, the numerator of the fraction will be the land area of the Leased Space, and the denominator of the fraction will be the total land area of the property covered by the tax bill; (ii) in the case of buildings, if the building(s) on the Leased Space is not separately assessed and included in a separate tax bill, the numerator of the fraction will be the area of the building(s) on the Leased Space, and the denominator of the fraction will be the total area of all buildings located on the property covered by the tax bill. Tenant will pay its share within 45 days after Landlord notifies Tenant of the amount thereof and furnishes Tenant with a copy of the receipted tax bill showing that Landlord paid the taxes and the calculations by which Tenant's share was determined. Landlord will pay the tax bill when due. In no event will Tenant be liable for interest or penalties. In the event Tenant, for any reason except the fault of Tenant, pays a penalty or interest, Tenant is entitled to deduct the amount from subsequent rent payments.

The parties will make a prorata adjustment with respect to the commencement and ending of Tenant's tax liability if the commencement or ending of Tenant's liability does not coincide with the tax year.

Tenant will have the right, in its own name, to make and prosecute application(s) for abatement of taxes or appeals of assessments, and Landlord agrees to cooperate fully with Tenant. Landlord agrees to sign all necessary instruments in connection with such application or appeal. Landlord will not settle any such application or appeal without Tenant's prior written approval in each instance.

Notwithstanding anything contained in this Lease, Tenant is not obligated to pay any part of any franchise, excise, estate, inheritance, income or similar tax that is or may become payable by Landlord or that may be imposed against Landlord or against the rents payable under this Lease or upon Landlord's income or profits by reason of any law now in force or later enacted. Tenant is not under any obligation to pay any increase in taxes resulting directly or indirectly from or arising out of the sale or other transfer of ownership of the Leased Space or any portion of the Leased Space within the first 10 years of the Primary Term.

**4. Landlord's Warranties and Covenants:** Landlord covenants, represents and warrants that, during the Term:

A. **Zoning:** Landlord will, if necessary, use best efforts to cooperate with Tenant to obtain the approval of all public and governmental authorities as to all matters relating to zoning, subdivision, lot splits, lot ties, replats or similar requirements for use of the Premises along with the Tenant's Adjacent Property as a McDonald's restaurant in accordance with Tenant's plans and specifications as will permit Tenant to obtain all necessary permits, licenses and approvals referred to in Article 6A below. Landlord agrees to dedicate or grant any easements for public ways and to diligently perform.

B. **Utilities:** All water and gas mains, electric power lines, telephone lines, sanitary and storm sewer lines are located in the public right-of-way and at the property line of the Leased Space and are available and adequate for Tenant's intended use.

disturb or interfere with Tenant's quiet enjoyment of the Premises. Landlord agrees to provide Tenant with any and all non-disturbance agreements Tenant deems necessary, in a form acceptable to Tenant, covering any lenders or underlying fee owners within 14 days of Tenant's request. Such non-disturbance agreements will provide, in part, that so long as Tenant is not then in default beyond any applicable notice and cure period under this Lease, Tenant will not be disturbed in its peaceful enjoyment of the Premises, nor deprived of its rights pursuant to the terms of this Lease.

**G. Intentionally deleted.**

**H. Compliance with Law:** Subject to Tenant's obligations under Article 5E, Landlord will comply with all governmental laws, rules and regulations applicable to the Premises.

**I. No Third Party Exclusive Use Rights:** No exclusive use rights or restrictive covenants have been or will be granted to any person or entity that restrict Tenant's use of the Premises as a restaurant operating in any manner and serving any type of food or drink. In addition to Tenant's other remedies available under this Lease, at law or in equity, to the extent allowed by law, Landlord will indemnify and hold Tenant harmless from and against any liability, loss, obligation, damage, cost, expense, fine and/or penalty, including attorney's fees, that Tenant may suffer by reason of any breach by Landlord of the foregoing representation, warranty and covenant.

**J. Notices of Violations:** In the event that Landlord receives written notice of a violation of any federal, state or local law or ordinance at the Premises whether by Tenant or any other party (each, a "**Violation**"), Landlord will use commercially reasonable efforts to provide written notice of the Violation and all related materials received to Tenant within 7 days after Landlord's receipt of the Violation. If Landlord fails to adhere to the obligations contained in this Article 4J, and Tenant is materially harmed, then Landlord will reimburse Tenant within 30 days after Tenant's written request for the amount of any default judgment(s) incurred by Tenant in connection with the Violation. In the event that Tenant receives written notice of a Violation of any federal, state or local law or ordinance at the Premises whether by Landlord or any other party, Tenant will use commercially reasonable efforts to provide written notice of the Violation and all related materials received to Landlord within 7 days after Tenant's receipt of the Violation. If Tenant fails to adhere to the obligations contained in this Article 4J, and Landlord is materially harmed, then Tenant will reimburse Landlord within 30 days after Landlord's written request for the amount of any default judgment(s) incurred by Landlord in connection with the Violation

**K. Tenant's Remedies:** Landlord acknowledges that, in executing this Lease, Tenant is relying upon all of the covenants, representations and warranties contained in this Lease and that all such covenants, representations and warranties are material ones. Landlord accordingly agrees that, if Landlord does not cure or diligently commence to cure a default within 30 days after notice from Tenant, or if the default cannot be cured within such 30 day period, if Landlord does not commence to cure the default within such 30 day period and thereafter diligently pursue a cure, any breach of covenant, warranty or misrepresentation is grounds for Tenant to elect, at its option, to terminate this Lease or to cure Landlord's default(s) and send an invoice to Landlord for Tenant's reasonable costs to cure the default(s). Tenant will not have the right to terminate this Lease under Articles 4A, 4B and 4C after Tenant has notified Landlord that it has satisfied the contingencies and/or conditions precedent to this Lease. The remedies contained in this Article 4K are in addition to all other remedies Tenant has at law or in equity.

**5. Tenant's Covenants:** Tenant covenants and agrees that, during the Term:

E. **Utilities:** Tenant will pay when due all charges for all utility services used on the Leased Space.

F. **Compliance with Law:** Tenant will comply with all governmental laws, rules and regulations applicable to the use, development or operation of the Leased Space.

6. **Right to Terminate:**

A. **Contingency Period:** If Tenant is unable to satisfy the contingencies and/or conditions precedent of this Lease within 210 days after the Lease Commencement Date (the "**Contingency Period**"), or if the soil tests, results of environmental due diligence, title, survey, permits, or any other matters do not meet with Tenant's approval or if they disclose matters that would make the Premises unsuitable for the purposes stated in this Lease, Tenant may elect to extend the Contingency Period for up to two additional 30 day periods by sending written notice of such election to Landlord. If Tenant is unable to satisfy the contingencies and/or conditions precedent of this Lease within the Contingency Period, as extended if Tenant so elects, Tenant or Landlord may, at any time after the expiration of the Contingency Period, as extended if Tenant so elects, terminate this Lease, and this Lease will be of no further force or effect as of the date such notice is given. Landlord and Tenant covenant to act in good faith and use due diligence to satisfy all contingencies and/or conditions for which they are responsible, and neither party will have the right to terminate this Lease unless they have so performed. Notwithstanding the foregoing, if Landlord elects to terminate this Lease as provided in this Article 6A, Tenant will have 10 days after receiving Landlord's termination notice to waive, in writing, the contingencies and/or conditions precedent. If Tenant does not waive the contingencies and/or conditions precedent, this Lease will terminate and be of no further force and effect 10 days after Tenant's receipt of Landlord's notice.

This Lease is subject to the following contingencies and/or conditions precedent:

1) **Permits:** Tenant has entered into this Lease in the expectation of obtaining, after expiration of all applicable appeal periods, all permits, variances, special use permits, licenses, permissions, approvals or other authorizations (collectively called "**Permits**") necessary for the construction or remodel and operation of a McDonald's restaurant on the Leased Space and the Tenant's Adjacent Property, including Tenant's signs and special service windows, and playland or PlayPlace and Tenant's ability to operate 24 hours a day, 7 days a week (all at Tenant's option), built according to Tenant's plans and specifications, including, without limitation, curb cuts in connection with the facility deemed necessary or desirable by Tenant.

Landlord agrees to execute such documents, make such appearances and do such other things as Tenant may reasonably request. If Tenant is unable to obtain all Permits, Tenant may terminate this Lease and declare it null and void and of no further force and effect as provided in Article 6A.

2) **Evidence of Title:** Tenant will apply for leasehold title insurance for a 2006 ALTA owner's policy, or other policy type sufficient to meet the needs of Tenant, from a title company acceptable to Tenant ("**Title Company**"), with a policy amount of not less than \$750,000.00 or the amount required by law or the title insurer, which policy will include an ALTA 13 endorsement, provide the insured with extended coverage, and cover the date of recording of the Memorandum of Lease, as provided in Article 16, showing title to the Premises in Landlord. If the report on title, title binder or commitment discloses any conditions, restrictions, liens, encumbrances, easements or covenants which, in Tenant's opinion, would affect Tenant's use and enjoyment of the

and declare this Lease null and void and of no further force and effect; or (b) order, at Tenant's expense, a written Phase II ESA to be undertaken as recommended by the Phase I ESA. Upon Tenant's review of the written Phase II ESA, the parties will act in accordance with Article 4D.

6) **Access:** Tenant obtaining access to public thoroughfare(s) is adequate, in Tenant's sole opinion, for Tenant's intended use of the Leased Space.

7) **Extraordinary Costs:** Tenant confirming that Tenant's total extraordinary costs do not exceed \$40,000.00. "**Extraordinary costs**" are all costs and expenses other than construction costs for Tenant's standard building and site improvements. Extraordinary costs include, but are not limited to: contaminated soil and ground water removal or remediation; costs to extend utility lines to the site; costs to construct off-site drainage or sewage treatment facilities; permit fees; impact fees; legal fees; expert and consulting fees for non-employees; costs and expenses for easements and additional property used in conjunction with the Premises; and costs or expenses related to roadways or the surrounding public rights-of-way. However, the parties' respective obligations to provide or pay for any of the above items may be stipulated elsewhere in this Lease. If Tenant determines that the total extraordinary costs will exceed the amount stated above, Tenant may, at Tenant's option, terminate this Lease and declare this Lease to be null and void and of no further force and effect.

8) **Intentionally Deleted.**

B. **Access:** Landlord grants to Tenant, its agents and contractors, the right to enter upon the Premises to make the soil tests, surveys and environmental assessments.

C. **Payment:** Tenant may terminate this Lease at any time after the date that is 10 years after the Lease Commencement Date by giving notice to Landlord, paying to Landlord the sum of 6 month's rent (at the rental rate effective on the date of such notice to Landlord), removing the Tenant drive-thru lanes and related improvements from the Premises and repairing any damage caused by such removal by paving, covering with gravel or landscaping such areas, and by delivering to Landlord an executed termination agreement suitable for recording. In such event, this Lease will terminate 3 months after the date of the notice. Thereafter, Landlord and Tenant will have no further rights, duties or obligations under this Lease, except that all rents, taxes and other monetary obligations prepaid by either party will be prorated for the applicable period.

7. **Use, Alterations and Title to Improvements:**

A. **Use:** Notwithstanding any other provision in this Lease to the contrary, Tenant has the right to use or occupy the Leased Space for any lawful purpose or purposes as it relates to its business located on Tenant's adjacent parcel.

B. **Alterations and Title to Improvements:** Tenant has the right to make, or permit any subtenant to make, alterations, additions and improvements to the Leased Space from time to time. All alterations, additions and improvements Tenant or any subtenant constructs are and will remain the property of Tenant at all times during the Term. Landlord agrees to execute all permit and other applications, consents and other reasonable documents ("**Documents**") that Tenant may require from time to time to obtain permits, variances, or other governmental approvals in connection with any construction or other use of the Leased Space that may be permitted under this Lease. Tenant will have the right to remove any alterations, additions and improvements at any time during the Term, and for a period of 30 days thereafter, and, for such purpose, to enter upon the Premises and shall pave, cover with gravel or landscape such areas. Tenant shall

the rent from the new tenant to this Lease, and Tenant will be responsible for only the balance that is due, should a balance exist. Tenant shall pay Landlord all reasonable costs Landlord incurs to remove any Tenant building or drive-thru lanes and related improvements from the Premises and paving, covering with gravel or landscaping such removal. If any default occurs other than in the payment of money, which cannot with due diligence be cured within a period of 30 days, and Tenant, prior to the expiration of such period, commences to eliminate the cause of such default, then Landlord will not have the right to declare the Term ended and/or relet the Premises by reason of such default.

**11. Holding Over:** If Tenant continues to occupy the Premises after the last day of the Term, and Landlord accepts rent thereafter, a month-to-month tenancy is created, and not for any longer period, either party having the right to terminate such month-to-month tenancy upon 30 days notice to the other. Rent for any such holdover period will be 110% of the monthly rent paid immediately prior to such expiration of the Term.

**12. Condemnation:** If all or any part of the Premises is taken or condemned by any competent authority for any public use or purpose during the Term, Tenant reserves unto itself the right to claim and prosecute its claim in all appropriate courts and agencies for an award or damages for such taking based upon Tenant's leasehold interest and Tenant's rights contained in this Lease, interruption of business, moving expenses, goodwill, and Tenant's ownership of buildings, alterations and improvements and other damages available under applicable law. Landlord will have the right to make a claim for the taking of, or injury to, the reversion. When the condemning authority takes or condemns a temporary interest, Tenant will receive all compensation for the temporary interest to the extent that the duration of the temporary interest is within the Term.

If a part of the Premises is taken or condemned which, in the sole judgment of Tenant, is sufficient to render the remaining portion unsuitable for Tenant's continued use or occupancy, then Tenant may, at any time, either prior to or within a period of 60 days after the date when possession of the Premises is required by the condemning authority, elect to terminate this Lease.

In the event of any taking or condemnation that does not result in termination of this Lease, this Lease will continue in effect with respect to the portion of the Premises not so taken, except that the rent payable under this Lease will be reduced by a fraction, the numerator of which will be the number of square feet of the Leased Space taken or condemned, and the denominator of which will be the square footage of the Leased Space prior to the taking or condemnation. This rental reduction will apply to any permanent taking or condemnation of a portion of the Leased Space in which the condemning authority receives a fee interest, any exclusive interest or any other interest which other interest makes such portion unsuitable, in Tenant's sole judgment, for private use in connection with Tenant's business, including, without limitation, any right of way easement. Tenant will, with all due diligence and at Tenant's own cost and expense, remove its building, drive-thru lanes and related improvements and pave, cover with gravel or landscape the areas of such removal to the extent practicable. If the business on the Premises is closed due to such taking or condemnation, then until the completion of such work and Tenant's re-opening for business, Tenant's obligation to pay rent, real estate taxes, and any other charges contained in this Lease will abate.

Landlord will give Tenant prompt notice of a taking or condemnation or proposed taking or condemnation of all or any portion of the Premises, and Landlord will include Tenant in any discussions or negotiations with the right of way agent or other condemning authority. Landlord will not convey any portion of the Premises in lieu of a taking or condemnation without Tenant's

way affect this Lease. Any gender used refers to any other gender more grammatically applicable to the party to whom such use of gender relates. The use of singular includes the plural and, conversely, the plural includes the singular.

**E. Notice:** If at any time, it is necessary or convenient for one of the parties to serve any notice, demand or communication upon the other party, such notice, demand or communication must be in writing, signed by the party serving notice, sent by nationally recognized overnight carrier or registered or certified United States mail, return receipt requested and postage or other charges prepaid. If intended for Landlord, the notice must be addressed to:

Idaho State University  
921 So. 8<sup>th</sup> Ave. Stop 8410  
Pocatello, ID 83209

If intended for Tenant, the notice must be addressed to:

One McDonald's Plaza  
Oak Brook, IL 60523  
Attention: Director, U.S. Legal Department #091  
L/C: 011-0013

with a copy to:

12131 113<sup>th</sup> Avenue NE  
Suite 103  
Kirkland, WA 98034  
Attention: Development Director  
L/C: 011-0013

or such other address as either party furnishes to the other, in writing, as a place for the service of notice. In order for Landlord's notice changing the payee for any rental payments to be effective, in addition to the notice itself, Landlord must furnish Tenant with (1) certified copies of executed deed, death certificate or other document signed by the current Landlord (and, in the case of Landlord's death, an order appointing executor, letters testamentary or other probate documents signed by a court of competent jurisdiction) evidencing the change in title or the appointment of a new agent authorized to receive notices and collect rent, (2) in the event of a sale or assignment, an assignment of lease assigning Landlord's interest in the Leased Space executed by landlord and assignee, and (3) an executed IRS form W-9 showing the name and social security number or FEIN of the new rent payee. Notwithstanding the foregoing, if Tenant delivers a notice to Landlord at the address to which rental payments are sent at the time of the notice, such notice is adequate for the purpose of exercising any option right contained in this Lease, including, but not limited to, purchase options, rights of first refusal and options to terminate, if any. Any notice so sent will be deemed to have been given as of the time it is deposited with the overnight carrier or in the United States mail.

**F. Billing Statements:** All billing statements, rent statements and supporting information must be sent to McDonald's USA, LLC, One McDonald's Plaza, Oak Brook, IL 60523, Attention: REF, L/C: 011-0013. Tenant or the occupant of the Leased Space may pay such bills directly, and on or before 30 days after receiving notice of any duplicate or excess payments made by Tenant or the occupant, Landlord will reimburse Tenant for such duplicate or excess payments. Upon 30 days' notice to Landlord, Tenant has the right to change any address(es) for such billing

state or federal holiday for which financial institutions or post offices are generally closed in the state in which the Premises is located.

**18. Rule Against Perpetuities:** If this Lease has not been previously terminated pursuant to its terms and provisions and if the Primary Term has not been ascertained within 30 full calendar months from the date appearing on page 1 of this Lease, then and in that event, this Lease will then become null and void and have no further force and effect whatsoever at law or in equity.

**19. Conflicts of Interest:** Landlord and (if Landlord is not an individual) the party(ies) executing this Lease for or on behalf of Landlord, or as a representative of Landlord represent that, to the best of his/her/their knowledge, he/she/they, or any person connected directly or indirectly with Landlord is/are not (an) agent(s), employee(s), servant(s), supplier(s), licensee(s) or officer(s) of Tenant or any subsidiary, affiliate or parent corporation thereof, or related to any agent, employee, servant, supplier, licensee or officer of Tenant or any subsidiary, affiliate or parent corporation. The parties executing this Lease acknowledge that Tenant relies upon Landlord's representations as inducement to enter into this Lease.

**20. Authority to Sign:** No employee or agent of Tenant (other than an authorized signatory) has authority to execute this Lease or make any other warranty, representation, agreement or undertaking. The parties' submission of this document for examination and negotiation does not constitute an offer to lease or a reservation of or option for the Premises, and this document will be effective and binding only upon final execution and delivery by Landlord and an authorized signatory of Tenant. The parties executing this Lease on behalf of Landlord and Tenant represent that they have the authority and power to sign this Lease on behalf of Landlord and Tenant. No act or omission of any employee or agent of the parties or any broker will alter, change or modify any provisions of this Lease.

**21. Intentionally Deleted.**

**22. Addenda and Exhibits:** This Lease includes the following Addenda and/or Exhibits, which govern over conflicting provisions (if any) of this Lease, and are made an integral part of this Lease and fully incorporated by reference:

Exhibit A: Legal Description of Leased Space and easements

Exhibit A-1: Depiction of Leased Space and Tenant's Adjacent Property

Exhibit B: Authorization and Notice to Tax Assessor

[The remainder of this page is intentionally left blank.]

LANDLORD AND TENANT, by their execution below, indicate their consent to the terms of this Lease.

**LANDLORD:**

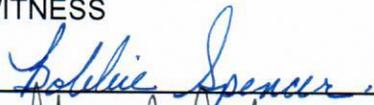
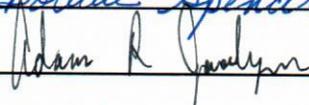
**IDAHO STATE UNIVERSITY,**  
an institution of higher education

By:   
Its: Interim Chief Financial Officer

**ATTEST**

By:   
Its: General Counsel

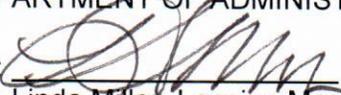
**WITNESS**

Landlord's Information:  
Telephone Number (208) 282-4114  
Fax Number (208) 282-3414  
Federal Tax I.D. or Social Security Number  
82-6000924

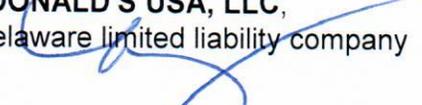
(Attach Form W-9 for Execution)

DIVISION OF PUBLIC WORKS,  
DEPARTMENT OF ADMINISTRATION

BY:   
Linda Miller, Leasing Manager

**TENANT:**

**McDONALD'S USA, LLC,**  
a Delaware limited liability company

By:   
Its: SENIOR COUNSEL

**ATTEST**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**WITNESS**

\_\_\_\_\_  
\_\_\_\_\_

ACKNOWLEDGMENT - McDONALD'S  
(No Attestation required)

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF DUPAGE )

I, Violet Espinoza, a Notary Public in and for the county and state aforesaid, CERTIFY that Lorraine Fortelka, as Senior Counsel, of McDONALD'S USA, LLC, a Delaware limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such authorized party appeared before me this day in person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and voluntary act as such authorized party and as the free and voluntary act of the company for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 6 day of April, 2017.

Violet Espinoza  
Notary Public

My commission expires 11-22-2020.



ACKNOWLEDGMENT - CORPORATE

STATE OF Idaho )  
 ) SS  
COUNTY OF Bannock )

I, Susan Hengel-Morris a Notary Public in and for the county and state aforesaid, CERTIFY that Brian Hickenlooper, as CFO, of Idaho State University a State of ID Public Institution corporation, who is personally known to me to be the person whose name is subscribed to the foregoing instrument as such authorized party appeared before me this day in person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and voluntary act as such authorized party and as the free and voluntary act of the company/corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 10<sup>th</sup> day of April, 2017.

Susan Hengel-Morris  
Notary Public

My commission expires 10/23/2021.







**EXHIBIT A**  
**Legal Description of the Leased Space and Easements**

# EXHIBIT A

**Parcel 1:**

The Westerly 60 feet of Lots 5 & 6 and Lots 1, 2, 3 and 4 of Block 305, Pocatello Townsite, Bannock County, State of Idaho, according to the Official Plat of Survey of said lands returned to the General Land Office by the Surveyor General.

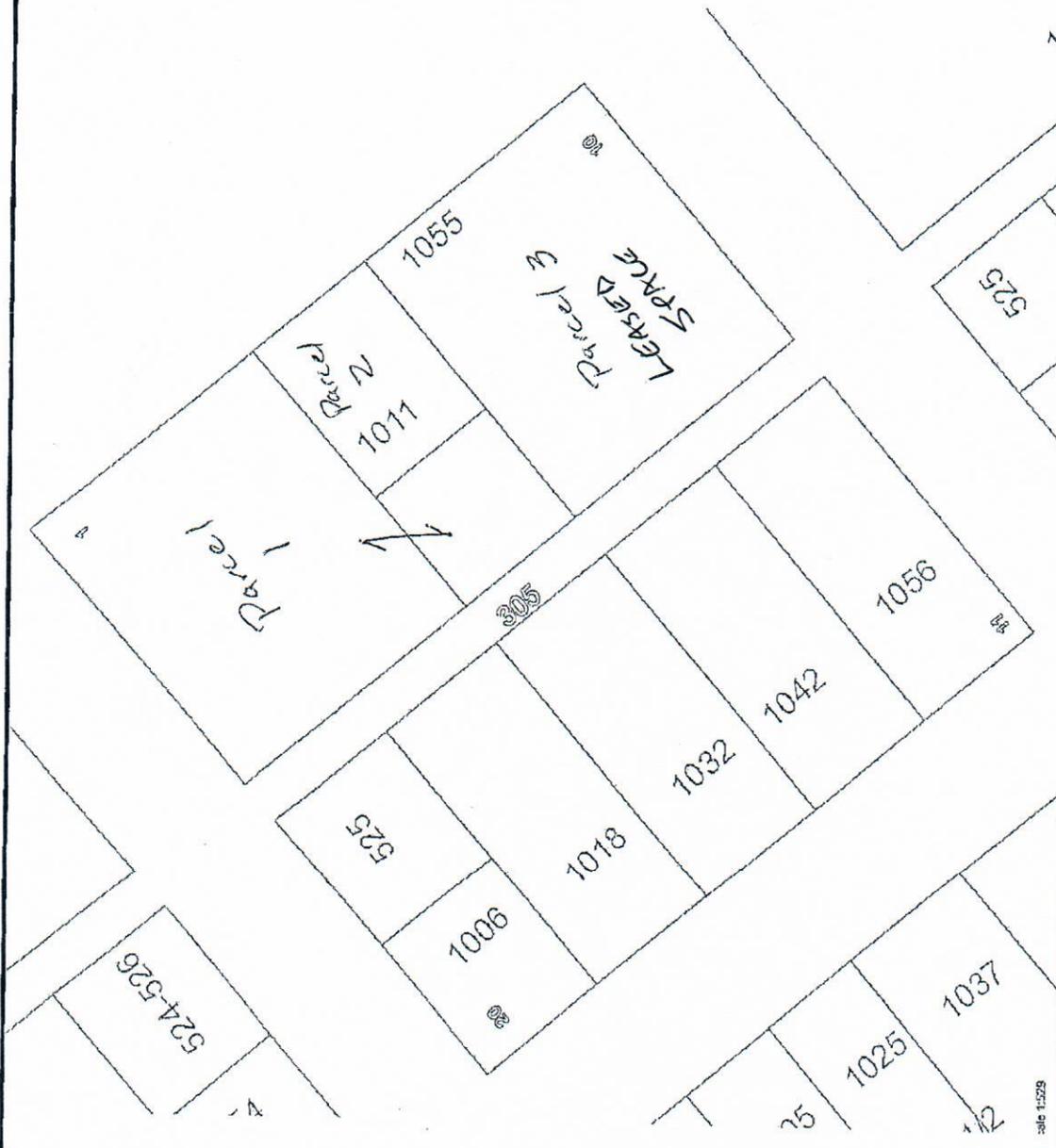
**Parcel 2:**

The Northeasterly 80 feet of Lots 5 and 6, Block 305, Pocatello Townsite, according to the official plat thereof filed in the office of the County Recorder, Bannock County, Idaho.

**Parcel 3:**

Lots 7, 8, 9 and 10, Block 305, Pocatello Townsite, Bannock County, Idaho, as the same appears on the official plat thereof, filed in the office of the County Recorder of Bannock County, Idaho.

# EXHIBIT A-1



THIS MAP IS FURNISHED AS AN ACCOMMODATION STRICTLY FOR THE PURPOSES OF GENERALLY LOCATING THE LAND. IT DOES NOT REPRESENT A SURVEY OF THE LAND OR IMPLY ANY REPRESENTATIONS AS TO THE SIZE, AREA OR ANY OTHER FACTS RELATED TO THE LAND SHOWN THEREOF

**1011 & 1055 South 5th Avenue  
Pocatello, ID 83204**



INITIAL  
W 4-6-17

INITIAL  
SA 4/10/17

**EXHIBIT B  
AUTHORIZATION TO TAX ASSESSOR**

TO: TAX ASSESSOR OF \_\_\_\_\_ COUNTY                      DATE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RE: TAX PARCEL NUMBER(S) \_\_\_\_\_  
McDONALD'S RESTAURANT ADDRESS AND LOCATION CODE  
\_\_\_\_\_

McDonald's L/C: \_\_\_\_\_

The undersigned property owner, requests and authorizes you to do the following:

1. You may release or otherwise provide McDonald's USA, LLC ("McDonald's") with any and all information regarding the assessment or valuation of the real estate tax parcel described above.
2. If the McDonald's property is part of a larger tax parcel, McDonald's may prosecute an application to have the property described in Exhibit A attached, segregated and assessed as a separate tax parcel on your tax roll. (NOTICE TO TAX ASSESSOR IS ATTACHED)
3. McDonald's is authorized to file on my behalf an appeal or protest of any general or special assessment.
4. You should mail all further tax bills, notices of assessment and requests for information to McDonald's at the following address:

McDONALD'S USA, LLC (\_\_\_\_ - \_\_\_\_)  
P.O. Box 182571  
Columbus, OH 43218-2571

5. This authorization will remain in full force and effect and you may rely upon it without liability to me until it is withdrawn or terminated by the undersigned in writing.

If any of the requests above cannot be granted without completion of additional forms or applications, please forward any such forms and applications, together with instructions, to: (name and address of Regional Coordinator)

TAXPAYER (LANDLORD) SIGNATURE(S)

\_\_\_\_\_  
\_\_\_\_\_

PRINTED NAME(S) \_\_\_\_\_

ADDRESS: \_\_\_\_\_

**NOTICE TO TAX ASSESSOR**

TO: TAX ASSESSOR OF \_\_\_\_\_ COUNTY      DATE: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

RE: CURRENT TAX PARCEL NUMBER(S) \_\_\_\_\_  
\_\_\_\_\_

McDONALD'S RESTAURANT ADDRESS AND LOCATION CODE  
\_\_\_\_\_  
\_\_\_\_\_

McDonald's L/C: \_\_\_\_\_  
\_\_\_\_\_

**APPLICATION FOR SEPARATE PROPERTY TAX TREATMENT**

This is a request to separately assess the property that is the subject of a Ground Lease between \_\_\_\_\_, as Landlord and McDonald's USA, LLC, a Delaware limited liability company, as Tenant, dated \_\_\_\_\_. Please accept this as the Application of McDonald's USA, LLC to secure a separate Tax Parcel Identification Number (PIN) which will apply exclusively to the land and improvements on the property described on Exhibit A. After the new PIN is assigned, please complete the box below.

(to be completed by County Tax Assessor)
New Property Tax Identification Number: _____
Effective Date of New Property Tax Identification Number _____
The new PIN will first apply to the _____ installment of property taxes assessed for year 20____.
Signed: _____ (Authorized Signature)
Date: _____

Please return this completed form to:

\_\_\_\_\_ Coordinator, \_\_\_\_\_ Region  
McDonald's USA, LLC, Attention: L/C: \_\_\_\_\_  
(address) \_\_\_\_\_  
\_\_\_\_\_  
(phone) \_\_\_\_\_  
(fax) \_\_\_\_\_

POCATELLO, ID  
5<sup>th</sup> Avenue  
L/C: 011-0013

### FIRST AMENDMENT TO GROUND LEASE

This First Amendment to Ground Lease is dated March 28, 2018 between **IDAHO STATE UNIVERSITY, an institution of higher education** ("Landlord") and **McDONALD'S USA, LLC, a Delaware limited liability company** ("Tenant"). The following statements are a material part of this Amendment:

A. Landlord and Tenant entered into a Ground Lease dated April 6, 2017, (the "Lease") for the property described in Exhibit A attached to the Lease and incorporated into this Amendment by this reference.

B. Tenant has expended considerable time, money and effort to satisfy the conditions precedent in the Lease.

C. The Lease termination date has occurred or is about to occur, and the parties desire to extend the termination date.

THEREFORE, in consideration of the parties foregoing their right to terminate the Lease and Tenant's promise to continue to diligently pursue the satisfaction of the conditions precedent in the Lease, and other good and valuable consideration, the receipt of which is acknowledged by the parties, Landlord and Tenant agree to extend the Lease as follows:

1. If the conditions of the Lease have not been satisfied or waived in writing by Tenant, on or before December 31, 2018, either party will have the right to terminate this Lease after that date by serving written notice to the other party. If Landlord elects to terminate this Lease, Tenant shall have 10 days after receiving Landlord's written notice of termination to waive, in writing, all conditions precedent of this Lease. If Tenant does not waive the conditions, this Lease will terminate and be of no further force and effect 10 days after Tenant's receipt of Landlord's notice.

2. Except as modified by this Amendment, the Lease is ratified and confirmed by the parties.

To indicate their consent to this Amendment, the parties or their authorized agents or officers have signed this document.

LANDLORD:  
**IDAHO STATE UNIVERSITY**  
an institution of higher education

TENANT:  
**McDONALD'S USA, LLC,**  
a Delaware limited liability company

By: *Cheryl Ottanson*  
Its: Associate VP Facilities Services

By: *[Signature]*  
Its: Lorraine V. Fopelka, Senior Counsel RC

DIVISION OF PUBLIC WORKS,  
DEPARTMENT OF ADMINISTRATION  
BY: *[Signature]* 3/20/18  
Linda Miller, Leasing Manager

(ACKNOWLEDGMENT CERTIFICATES ATTACHED)

ACKNOWLEDGMENT - McDONALD'S  
(No Attestation required)

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF DUPAGE )

I, Erica Searcy, a Notary Public in and for the county and state aforesaid, CERTIFY that Lorraine Korfelka, as Senior Counsel, of McDONALD'S USA, LLC, a Delaware limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such authorized party appeared before me this day in person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and voluntary act as such authorized party and as the free and voluntary act of the company for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 28<sup>th</sup> day of March, 2018.

Erica Searcy  
Notary Public

My commission expires 6/24/19.



ACKNOWLEDGMENT

STATE OF Idaho )  
 ) SS  
COUNTY OF Bannock )

I, Susan Hengel-Morris, a Notary Public in and for the county and state aforesaid, CERTIFY that Cheryl Hanson, as ASSOC. VP Facilities of Idaho State Univ., a corporation, who is personally known to me to be the person whose name is subscribed to the foregoing instrument as such authorized party appeared before me this day in person and acknowledged that he/she signed, sealed and delivered this instrument as his/her free and voluntary act as such authorized party and as the free and voluntary act of the company/corporation for the uses and purposes therein set forth.

Given under my hand and notarial seal, this 8<sup>th</sup> day of March, 2018.

Susan Hengel-Morris  
Notary Public

My commission expires 10/23/2020.

