

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

16 JAN 09

LEASE NO.

LVT04569

THIS LEASE, made and entered into this date by and between SCI Holdings, Inc. whose address is 333 Citizens Road, Newport, VT 05855 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 consideration hereinafter mentioned, covenant and agree as follows:

1. LESSOR HEREBY LEASES TO THE GOVERNMENT AND THE GOVERNMENT HEREBY LEASES FROM THE LESSOR THE FOLLOWING DESCRIBED PREMISES: An area of 26,456 Rentable Square Feet (RSF) (26,014 ANSI/BOMA Square Feet (USF)), with a Common Area Factor of one point six nine nine one percent (1.6991%) of office and general purpose space located on the 1<sup>st</sup> Floor of the building located at 373 Citizens Road, Newport, VT 05855 (hereinafter the "Building"), and identified on the plan entitled "U.S. Border Patrol Preliminary Floor Plan Layouts - Revision 1" dated June 10, 2008, and attached hereto as Exhibit A, and by this reference made a part hereof along with all parking, all improvements and all amenities being collectively hereinafter referred to as the "Premises" or the "Leased Premises", all of which are leased to the Government together with any and all appurtenances, rights, privileges and easements now or hereafter benefiting, belonging or appertaining thereto, including without limitation use of all common areas and facilities, and rights of ingress and egress to the Building, the Leased Premises and all common areas and appurtenances, to be used for general Government purposes as determined by the General Services Administration.
2. TERM: TO HAVE AND TO HOLD the said Premises with their appurtenances for a term of twenty (20) years commencing on the next business day, excluding Saturdays, Sundays and Federal Holidays, following the Delivery of the Leased Premises in full compliance with the terms and conditions of Paragraph 1.7 hereof (the "Commencement Date"), and ending twenty (20) years thereafter, unless extended as provided herein or as may be allowed at law or in equity (the "Lease Term"). Upon actual determination of the Commencement Date, and consequently the Lease Term, the Lessor and the Government shall confirm in writing the Commencement Date and the Termination Date of the Lease and the Government's acceptance of the Leased Premises by execution and delivery of a Supplemental Lease Agreement.
3. TERMINATION RIGHT: THE GOVERNMENT MAY TERMINATE this Lease in whole or in part at any time on or after the last day of the fifteenth (15<sup>th</sup>) year by giving at least ninety (90) days' prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination.
4. THE GOVERNMENT SHALL PAY to the Lessor, commencing on the Commencement Date and in accordance with Paragraph 23-27 of the General Clauses of the Lease, rent as follows:

**Years 1 through 15:** Annual rent of \$951,464.34, calculated at Shell Rent of \$675,446.00, Operating Cost Base of \$191,144.00 and Tenant Improvement Rent of \$84,874.34, and payable at the rate of \$79,288.70 per month in arrears and subject to CPI calculations per Paragraph 3.5 B of the Solicitation For Offers Number 7VT2051, dated January 7, 2008 (hereinafter, the "SFO").

**Renewal Years 16 through 20:** Annual Rent of \$925,513.14, calculated at Shell Rent of \$649,494.80 and Operating Cost Base of \$191,144.00 and Tenant Improvement Rent of \$84,874.34 payable at a rate of \$77,126.10 per month in arrears and subject to CPI calculations per Paragraph 3.5 B of the SFO, via Electronic Funds Transfer to:

SCI Holdings, Inc.  
333 Citizens Road  
Newport, VT 05855

Rent for a lesser period shall be prorated on a per diem basis. The Tenant Improvement Allowance components to the rental rate shall be fully satisfied at the end of the twentieth (20<sup>th</sup>) year. Should the Government terminate the Lease at the end of fifteen (15) years, the Government will not be responsible for the remaining \$359,277.24 of the tenant improvement balance.

Initials/Date 4/2/08  
Lessor & Government

5. THE LESSOR SHALL FURNISH TO THE GOVERNMENT, for the stated rental consideration specified in Paragraph 4 above and at no further cost or expense to the Government, the following:

- (a) The Leased Premises, and all appurtenances, rights and privileges as described in Paragraph 1 hereof;
- (b) All requirements including, but not limited to, all services, utilities, compliance activities and efforts, alterations, improvements, build out (except for lump sum reimbursable items), and maintenance, repair and replacement requirements, all as specified in or contemplated by the SFO, attached hereto and by this reference made a part hereof;
- (c) All construction in accordance with the SFO, including, without limitation, all provisions of the Architectural Finish Section of the SFO and the Approved Government Layout Drawings, Finish and Door Schedules, as further described herein, and attached hereto and made a part hereof.
- (d) All provisions and specifications of the Lessor's Best and Final proposal dated May 9, 2008, submitted in response to the SFO and the Government's request for Best and Final Offers on April 3, 2008;
- (e) All services, including, without limitation, construction drawings and specifications, engineering and architectural services, and all permitting and approval requirements as are necessary to effect the construction and delivery of the Leased Premises in accordance with the requirements described herein; and
- (f) All rights, reservations of rights, privileges and the like specified in, described by, or contemplated by this Lease.

6. IN REFERENCE TO BUILDOUT AND DELIVERY of the Leased Premises, the Lessor agrees to the following:

- (a) In no event shall the Leased Premises be deemed to be ready for occupancy unless the same shall comply fully with all provisions of this Lease, including, but not limited to, the substantial completion of all improvements, requirements and construction in accordance with the specifications contained in this Lease, the SFO and the Approved Government Layout Drawings and Finish and Door Schedules, as referenced in Paragraph 5 above and all documents referenced in such SFO and in this Lease,
- (b) The phrase "substantial completion" (or "substantially complete") shall mean that all work necessary to deliver the Leased Premises in accordance with each and every requirement and specification of this Lease, and all other appurtenant things necessary for the Government's access to the Leased Premises and the full occupancy, possession, use and enjoyment thereof, shall have been completed or obtained, including, without limitation, all required reviews, approvals, consents and permits (including a final certificate of occupancy for the entirety of the Lease Premises allowing occupancy for each of the uses described in and by this Lease), excepting only such minor matters as do not interfere with or diminish such access, occupancy, possession, use or enjoyment. Further, as Lessor is aware, the security of the Leased Premises is of paramount concern to the Government and in no event will the Leased Premises be deemed "substantially complete" or ready for occupancy unless the security system for the Leased Premises in Section 9 of the SFO is fully operational, as determined by the Contracting Officer.
- (c) The Lessor hereby agrees that, as regards delivery of the Leased Premises to the Government ready for occupancy (hereinafter, "Delivery"):
  - (i) Time is of the essence.
  - (ii) Lessor shall effect Delivery on that date one hundred and twenty (120) working days following receipt of the Notice to Proceed in accordance with Paragraph 3.16 E of the SFO 7VT2051.
  - (iii) Except with regard to such "Punch List" items as may be identified in the Acceptance Notice as defined in Paragraph 7(c)(v) hereof, it is a condition precedent to Delivery that all construction required under this Lease shall be substantially complete and comply with the requirements of FAR 52.246.12 and 21 and GSAR 552.246-71 (hereinafter, the "Regulations"), attached hereto and by this reference made a part hereof, and all drawings, plans and specifications referenced in Paragraph 5 and that the Leased Premises otherwise fully comply with the requirements of this Lease.

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Lessor

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Government

- (iv) As required under the Regulations, not less than ten (10) calendar days prior to the date on which the Leased Premises will, in the Lessor's reasonable, professional opinion, be ready for occupancy by the Government (the "Proposed Readiness Date"), the Lessor shall deliver to the Government written notice of said Proposed Readiness Date. Unless the Contracting Officer determines that the Leased Premises are not ready for inspection, not more than ten (10) calendar days following the Proposed Readiness Date, the Government shall commence inspection of all construction required under this Lease for compliance with the Regulations, the plans and all terms and conditions of this Lease (hereinafter, the "Compliance Inspection").
- (v) It is a further condition precedent to Delivery hereunder that a satisfactory Compliance Inspection shall have been completed by the Government, and the Contracting Officer shall have delivered to the Lessor, written notice of the Government's acceptance of the Leased Premises as ready for occupancy (an "Acceptance Notice"), together with a Punch List or lists as contemplated in Paragraph 6(d) below, if applicable.
- (vi) Lessor's failure to deliver the entire Leased Premises substantially complete and ready for occupancy, as defined in this Paragraph 6, on the Delivery Date, shall be deemed to be an event of default pursuant to the Default in Delivery clause of this Lease, Paragraph 11 of GSA Form 3517, General Clauses of this Lease (the "General" Clauses"), attached hereto and by this reference made a part hereof.
- (vii) Government acceptance of the Leased Premises pursuant to the Compliance Inspection is an acknowledgment of the completion of the work inspected, but is not acceptance of conditions which cannot be fairly discovered until after the Government takes full operational occupancy, an acceptance of latent defects, a waiver of on-going compliance with performance-based specifications, standards and requirements, or a certification of compliance with laws, regulations or other approvals or requirements. Lessor shall remain fully responsible for all of these, and shall correct any conditions at its sole cost and expense upon written notice from the Government.
- (viii) Government review of Lessor-prepared and submitted construction drawings and subsequent comments on same do not constitute a deviation from any provision, condition or requirement of this Lease unless specifically identified as such in writing by the Government Contracting Officer.
- (d) If the Government accepts the Leased Premises as ready for occupancy and the Leased Premises are substantially complete but not fully complete, then the Government will provide to the Lessor after the Compliance Inspection a Punch List of Items remaining to be completed for all interior spaces in the Building (the "Interior Punch List Items") and a Punch List of all exterior items that remain to be completed (the "Exterior Punch List Items"). Both parties understand that completion of some exterior items such as landscaping, final paving, and other exterior improvements may not be possible until weather permits, which may be as late as 60 to 90 days after the date the Government deems the Leased Premises ready for occupancy. Lessor and the Government agree that in the event that the Interior Punch List Items have not been completed within 30 days after the date the Government deems the Leased Premises ready for occupancy, the Government shall have the right to withhold from payments of rent due a sum of money equal to one and one-half times the estimated cost of completion of the outstanding interior Punch List Items. In the event that the Lessor has not completed the Exterior Punch List Items within 90 days from the date the Government deems the Leased Premises ready for occupancy (or such shorter time as the Government determines in its reasonable judgment that weather conditions allow) the Government shall have the right to withhold from payments of rent due a sum equal to one and one-half times the estimated cost to complete the Exterior Punch List Items. Upon completion of the Interior Punch List Items, any sums retained by the Government to cover the Interior Punch List Items shall be promptly paid to the Lessor. Upon completion of the Exterior Punch List Items, any sums retained by the Government for completion of the Exterior Punch List Items shall be promptly paid to the Lessor. If either Exterior or Interior Punch List Items are not fully completed within 120 days after the date the Government deems the Leased Premises ready for occupancy, the Government may exercise its rights under Paragraph 15 of the General Clauses of the Lease and may avail itself of any other remedy available to the Government at law or in equity.
- (e) Lessor shall promptly notify the Government Contracting Officer of any inconsistency among or between any of the documents referenced herein, and the Government Contracting Officer shall promptly determine which shall control.

*LM* 9/2/01  
Initials/Date \_\_\_\_\_  
Lessor                      *[Signature]*  
Government

7. THE GOVERNMENT SHALL HAVE THE RIGHT but not the obligation, at its sole option and expense, to remove at any time during the term of this Lease any special equipment installed by Lessor for which Lessor was directly reimbursed by the Government as referenced above, unless such item is a fixture integral to the operation of the Building; in no event shall the following be considered fixtures integral to the operation of the Building: roof antenna(e) and/or dishes, security cameras and monitors.
8. THE GOVERNMENT AT ITS OWN EXPENSE shall be responsible for providing and installing telecommunications, computer cable, conventional furniture, systems furniture and certain special equipment prior to acceptance and occupancy of the Leased Premises. Outside contractors may be hired by the Government to perform this work. The Lessor shall allow early access to the Leased Premises as needed to inspect, measure, deliver and install such furniture, components, infrastructure and/or equipment at no cost or expense to the Government or its contractors. Lessor shall provide advance construction scheduling which shall allow sufficient time for successful completion of the work or installation of furniture, components infrastructure and/or equipment. Lessor shall work closely with the Government and Government contractors to coordinate scheduling of such work or installation at the appropriate stage(s) of construction. In no event shall any such early entry or access be deemed to be an acceptance of the space or the work performed at that point, nor shall any such early entry or access be deemed to in any way to have accelerated the Commencement Date for any purpose.
9. TAX ADJUSTMENTS: Referencing Paragraphs 3.5 "Tax Adjustment" and 3.6 "Percentage of Occupancy" of the SFO, the percentage of Government occupancy of the Building for real estate tax purposes is agreed to be 100.00%. The Tax Base is established as \$65,720.00.
10. OPERATING COSTS: Referencing Paragraph 3.7 "Operating Costs" of the SFO, the base rate for the cost of services (hereinafter, the "Operating Costs Base") shall be \$191,144.00 per year. The Base Operating Cost shall be subject to annual adjustment as provided in Paragraph 3.7 B of the SFO.
11. VACANT PREMISES: Referencing Paragraph 3.14 "Adjustment for Vacant Premises" of the SFO, provided that the Government's failure to occupy all or any portion of the Leased Premises does not result from an event of default or failure to perform on the part of Lessor which remains uncured beyond any cure period as may be provided in this Lease, if the Government fails to occupy all or any portion of the Leased Premises or vacates the Leased Premises in whole or in part prior to the expiration of this Lease, rent for such unoccupied portion of the Leased Premises shall be reduced by \$6.95 ANSI/BOMA vacant space (plus CPI escalation, if any) for the entire vacancy period.  
Any rental paid by the Government after acceptance of the Leased Premises as described herein but prior to actual occupancy shall be less the cost for services and utilities.

12. CHANGE ORDERS: Unless explicitly authorized in advance and in writing by the Contracting Officer, any additional supplies or services, or any change to the specifications, terms or conditions of this Lease (hereinafter a (hereinafter, a "Change Order"), shall be deemed to be an unauthorized Change in Lease Terms or unauthorized Change Order. The Government shall not pay all or any portion of the cost, charge or expense associated with any such unauthorized Change In Lease Terms or unauthorized Change Order. The Government's occupant tenant is not authorized to administer this Lease and the General Services Administration assumes no responsibility for any costs incurred by the Lessor except as provided herein. All questions and issues pertaining to this Lease shall be referred to the Contracting Officer.
13. REPRESENTATIONS AND WARRANTIES OF LESSOR The Lessor hereby represents and warrants:
- A. That it has the right to enter into and perform its obligations under this Lease and that it has taken all necessary action and procured all necessary consents and grants of authority pursuant to entering into this Lease.
  - B. That no consent, approval or authorization of any person, including any governmental authority or other regulatory agency, is required in connection with the execution or performance of this Lease or the holding or use of the Leased Premises by the Government.
  - C. That (i) it has, or will have prior to the Commencement Date, all permits, certificates, licenses, orders, registrations, authorizations and other approvals (collectively, the "Permits") from all federal, state and local governmental or regulatory agencies, bodies, authorities or other public or private entities which it is required to hold or which are required to be issued to it, or which are necessary or desirable for lease of the Premises to the Government for its contemplated uses; (ii) that such Permits constitute all of the Permits which it is required to hold or have received under the laws, rules and regulations applicable to it or its business; (iii) that it is in full compliance with all terms, provisions and conditions thereof; and (iv) that all of such Permits are in full force and effect and none will lapse or be terminated, suspended or otherwise adversely affected upon or by reason of the execution and delivery of this Lease.
14. SATELLITE DISH/ANTENNA: The Government reserves the right to install additional satellite dishes or antennae at or on the Leased Premises [Building] at any time during the term of this Lease (as the same may be extended or renewed). All rights and privileges of the Government to install, use and access satellite dishes, antennas and/or related equipment are considered to be requirements of this Lease and shall be at no additional rent, charges, fees or costs to Government.
15. NOTICES: All notices and other communication which is required or permitted by this Lease shall be in writing and delivered by personal service, sent by registered or certified first class US mail, postage prepaid, properly addressed, or by regular overnight delivery service such as Federal Express, if intended for the Lessor to Dan Scott at the address first set forth above, or as follows:

SCI Holdings, Inc.  
Dan Scott, President  
333 Citizens Road  
Newport, VT 05855  
(802) 334-5225

and if intended for the Government, to the below-named Contracting Officer at the following address:

General Services Administration Public Buildings Service  
Steven M. Smith  
10 Causeway Street  
Room 1075  
Boston, MA 02222

or to such other address as shall be given in writing by any party to the other.

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Lessor & Government

16. TENANT IMPROVEMENT ALLOWANCE: Referencing Paragraphs 1.9 & 1.10 of the SFO, Lessor has included in the rental rate a Tenant Improvement (TI) Allowance in the amount of \$35.2732 per BOMA Office Area Square Foot, and amortized over twenty (20) years at the interest rate of 7.00 %. The Government may return to the Lessor any unused portion of the TI Allowance in exchange for a decrease in rent according to the amortization rate and the Lessor and the Government shall confirm said rental adjustment, if any, in writing by execution of a Supplemental Lease Agreement.

17. CHANGE OF OWNERSHIP: If during the term of this Lease, including extensions, title to this property is transferred to another party by sale, foreclosure, condemnation, or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany notification:

- A. Certified copy of the deed transferring title to the property from the Lessor to the new owner;
- B. Letter from the new owner assuming, approving, and agreeing to be bound by the terms of this Lease;
- C. Letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of transfer;
- D. New owner's full legal name. If ownership is held in a Corporation, indicate State of incorporation; if a Partnership, list all partners; if a Limited Partnership or Limited Liability Corporation/Company, list all general partners or members and identify under which State the partnership or LLC was created; if a Trust, give names of all trustees and recording date of Trust.

E. Execution of GSA FORM 3518, which includes new owner's Tax ID number, DUNS number and CCR registration. All foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of transfer, will be processed to the transferor, and the initial rental payment to the transferee, will be processed on the first day of the second month following the transfer of title.

If the notification of transfer and related information is not received until the sixteenth day of the month or later in which the transfer of title will be affected, the full contract rental for that month will be forwarded to the transferor. In this instance, it will be the responsibility of both the transferor and the transferee to submit in conjunction with other requested information, a letter of agreement regarding disposition of the monthly rent with respect to the effective date of transfer. In any instance, failure to submit documentation required for a transfer of title will result in a stop payment of rent until such time all documentation is received by the Contracting Officer.

18. RESTRICTION ON DISSEMINATION OF PLANS, DRAWINGS AND SPECIFICATIONS: Associated plans, drawings, or specifications provided under this Lease are intended for use by the Lessor, contractors, subcontractors and suppliers. In support of this requirement, GSA requires Lessor to exercise reasonable care when handling documents relating to building drawings/plans, security equipment, security equipment installations, and contract guard service, by the following means:

- A. Limiting reproduction and/or dissemination of covered materials only to persons/parties related to this acquisition or otherwise authorized to receive such information;
- B. Making every possible reasonable and prudent effort to prevent unauthorized disclosure of this information;
- C. Keeping accurate and detailed records as to the identity of persons having access to or receiving copies of plans, drawings or specifications;
- D. Continuing the efforts required above throughout the entire term of this Lease and for what specific time thereafter as may be necessary; and
- E. When need for documents has elapsed, destroying all copies.

19. COMMISSION AND CREDIT: The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the average firm term value of this lease. The total amount of the commission is [REDACTED] (Annual Rent for Years one (1) through fifteen (15) of \$951,464.34 multiplied by [REDACTED]). The Lessor shall pay the Broker no additional commissions associated with this lease transaction. 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 of [REDACTED] (half at lease execution and half at lease occupancy) in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Initials/Date 9/26/88 & [Signature]  
Lessor Government

Notwithstanding Paragraph 4 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 continue as indicated in this schedule for adjusted Monthly Rent:

First month's rental payment of \$79,288.70 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.

Second month's rental payment of \$79,288.70 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.

Third month's rental payment of \$79,288.70 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted third month's rent.

Fourth month's rental payment of \$79,288.70 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted fourth month's rent.

20. ATTACHMENTS: The following documents are attached hereto and by this reference made a part hereof:

- A. GSA Form 3517, General Clauses
- B. GSA Form 3518, Representations and Certifications
- C. Flood Plain Certification
- D. FAR 52.246-21 "Warranty of Construction"
- E. FAR 52.246-12 "Inspection of Construction"
- F. GSAR 552.246-71 "Final Inspection and Tests"
- G. SFO 7VT2051
- H. Handicap Certification
- I. Exhibit A
- J. Electronic Fund Transfer Form

21. To the extent of any inconsistency between the terms of this Standard Form 2 (SF2) and any of the attachments, the terms of this SF2 shall govern.

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

S.C.I. Holdings Inc  
LESSOR: SCI Holdings, Inc.

BY [Signature] (Signature) Pres. (Title)

IN PRESENCE OF:

PATRICK UHSMANN (Signature) PRINTED NAME OF WITNESS: [REDACTED] (Address of Witness)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY [Signature] (Signature) Contracting Officer (Official title)