

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

August 18, 2009

LEASE NO.

GS-05B-18140

THIS LEASE, made and entered into this date by and between

whose address is Fridh Corporation
1111 South Alpine Road
Suite ~~700~~ 401
Rockford, IL 61108
C/O Mr. Jeff Holt

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. The Lessor hereby leases to the Government the following described premises:

1,743 rentable square feet of office space, which yields at least 1,508 useable square feet of office space, on the Fourth floor, Suite 470, at Stewart Square, 308 W State Street, Rockford, Illinois 61108, including two structured parking spaces located at the City of Rockford garage located at 200 S Church Street, Rockford, Illinois, to be used for such purposes as determined by the General Services Administration.

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2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on March 1, 2010 through February 29, 2020, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government Shall pay the Lessor an annual rental according to the following schedule:
Lease Years 1 through 5: \$47,200.40 annually, for years 6 through 10: \$33,462.52.
All rent shall be paid monthly in arrears. Rent for a lesser period shall be prorated.

Rent Checks shall be made payable to:

Fridh Corporation, 1111 South Alpine Road, Suite ~~700~~ 401, Rockford, IL 61108.

4. The Government may terminate this lease on February 28, 2015 or at anytime after February 28, 2015 by giving a 90 day notice of cancellation. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing

6. The Lessor shall furnish to the Government, as part of the rental consideration, all responsibilities and obligations as defined in this lease which includes the attachments specified in Paragraph 7 below including the following:

All services including janitorial, utilities and maintenance of the building and grounds. Also, as part of the rental consideration, the Lessor shall meet all responsibilities and obligations as defined the Solicitations of Offers Number GS-05B-18140 and other attachments to the Lease, including but not limited to meeting all handicapped accessibility and Fire/Life Safety Requirements.

7. The following are attached and made a part hereof:
~~The General Provisions and Instructions (Standard Form 2 - A~~ _____ ~~edition).~~

GSA Form SF-2 - 2 pages, with attachment to the Standard Form 2 (SF-2) paragraphs 9-26 - 2 pages; Solicitations for Offers (SFO) No. GS-05B-18140 -- 55 pages; Agency General Requirement - 10 pages; Document Security Form - 2 pages; Attachment 2 to SFO - Shell / TI Definition - 1 page; GSA Form 1364 "Proposal To Lease Space" with Rent Breakdown -- 6 pages; GSA Form 1217 - 2 pages; GSA Form 3517 (General Clauses) -- 2 pages; GSA Form 3518 (rev 1/07) "Representations and Certifications" -- 7 pages; Certificate of Procurement Integrity - 1 page; Pre-lease Building Security Plan - Attachment #4 - 6 pages; Prelease Fire Protection & Fire Life Safety - Attachment #5 - 4 pages; GSA Form 3516A - Solicitation Provisions - 6 pages; Exhibit A - Physical location of leased space - 1 page.

8. The following changes were made in this lease prior to its execution:

None

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

LESSOR

Fridh Corporation

BY

(Signature)

(Signature)

IN PRESENCE OF:

(Signature)

(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY

JERALD M. HELLAND

(Signature)

Contracting Officer

(Official title)

ATTACHMENT TO THE STANDARD FORM 2
LEASE NO. GS-05B-18140

9. The estimated effective date in Paragraph 2 is March 1, 2010. If necessary, the actual effective date of beneficial occupancy under this lease will be amended by supplemental Lease Agreement. The lease will be in effect for Ten years, five year firm from the actual effective date. The Government terminations rights and anniversary dates for escalation purposes will be computed from this actual commencement date.
10. The date of this lease is the date this contract was formed as a result of the Government's acceptance of the Lessor's Best and Final Offer dated, June 22, 2009, (re-opened negotiations) Best and Final Offer dated, July 9, 2009, (re-opened negotiations) Best and Final Offer dated August 12, 2009. This lease reflects the terms and conditions of the accepted Best and Final Offer.
11. In accordance with Solicitation for Offers GS-05B-18140 within this lease, the Government will occupy 2.00 percent of the total rentable space within the building for real estate tax adjustment purposes, parcel number 11-23-308-016. The base year Real Estate taxes are \$1,402.04 for the government's pro-rated share or \$70,074.14 for the entire building.
12. In accordance with Solicitation for Offers GS-05B-18140 within this lease, the base for services and utilities from which future operating cost adjustments shall be made is \$8,451.00 or \$4.85 per rentable square foot.
13. All janitorial services performed under the terms of the lease will be done between the hours of 7:00 A.M. and 6:00 P.M.
14. The Lessor shall furnish to the Government, as part of the rental consideration, space in good quality condition and the Lessor further agrees to maintain the space throughout its tenancy in good quality condition.
15. The government shall provide lessor with scope of work for tenant space alterations. The Tenant Improvement allowance for alterations, included in the rental rate shall not exceed \$44,188,200 per useable square foot. The cost proposal shall be submitted to the Contracting Officer. Upon a government review, and determination that costs are fair and reasonable, the government shall issue a notice to proceed. The Lessor shall have 120 days to complete alterations from the date the government issuance of a notice to proceed. Upon completion and acceptance of alterations, the alteration costs shall be amortized over the remaining firm term of the lease. In the event the approved cost of alterations exceeds the tenant Improvement allowance the government shall pay the lessor a lumpsum payment for the overage amount.
16. It is hereby agreed that the Lessor's Tax Identification Number is [REDACTED]
17. All questions pertaining to this lease should be referred to the Contracting Officer of the General Services Administration or his/her designee. The Government occupant is not authorized to administer this lease. The General Services Administration assume no responsibility for any cost incurred by the Lessor except as provided by the terms of this lease or authorized in writing by the Contracting Officer or his/her designee.
18. All terms and conditions of this Lease as expressly contained herein represent the total obligations of the Lessor and the government. Any agreements, written or oral between

Initials: Lessor

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the Lessor and Government prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and government.

19. The Lease Common Area factor is 1.155840 (1,508 useable square feet multiplied by 1.155840 equals 1,743 rentable square feet of space).
20. The Contracting Officer represents the General Services Administration as an agent with authority to enter into this Lease on behalf of the government and executes this document in his or her official capacity only, and not as an individual.
21. The Lessor will not expect the government to transmit drawings electronically. In addition, the Lessor will not knowingly transmit or provide copies of government drawings to persons or organizations not associated with the buildout of government space. All persons receiving drawings must be known to the Lessor. The government may request identification to all persons who have access to government drawings. (See Document Security Form)
22. The government shall pay \$00 per hour overtime rate for heating or cooling after normal working hours in accordance with the terms of the lease
23. It is hereby agreed that the Lessor's Data Universal Numbering System (DUNS) number is ~~533~~ 424 503. *053*
24. The Lessor shall complete all Government recommended firelifesafety items on or before the actual effective date of this lease. A platform shall be constructed inside the stairwell adjacent to the door that leads out to the alley. The platform shall be as deep as the width of the door (approx. 36 inches?) and shall be at a height that eliminates the need to step up and over the "curb" that exist right at the doorway. The vertical and horizontal edges should be striped with safety yellow/black paint to call attention to the change in elevation as one approaches the exit discharge door / new step-up platform from within this exit stairwell.
25. In the event the government shall no longer occupy the lease space the Lessor shall reduce the rental rate by \$1.45 per rental square foot during the period the government does not occupy the space i.e. discontinues the need for this office.
26. Stewart Square, 308 W State Street, Rockford, Illinois 61108 is on the Historic Building Registry.

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