

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

9/2/2009

LEASE NO.

GS-05B-17728

THIS LEASE, made and entered into this date by and between ELBA ROAD DEVELOPMENT, LLC

Whose address is 2084 HASLER LAKE ROAD
LAPEER, MICHIGAN 48446

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 considerations hereinafter mentioned, covenant and agree as follows:

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

A total of 14,473 rentable square feet (RSF) of office and related space, which yields 13,373 ANSI/BOMA Office Area square feet (USF) of space and on-site reserved parking for eight (8) Government-owned vehicles in a one-story building to be constructed at 901 N. Saginaw Street, Flint, Michigan, 48503-1735, to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 48 parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on September 1, 2010 and continuing for ten (10) years, seven (7) years firm, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$395,836.55 (\$27.35/RSF - \$29.60/USF) at the rate of \$32,986.38 per month in arrears for years 1 - 7 and \$314,643.02 (\$21.74/RSF - \$23.53/USF) at the rate of \$26,220.25 per month in arrears for years 8 - 10.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

ELBA ROAD DEVELOPMENT, LLC
2084 HASLER LAKE ROAD
LAPEER, MICHIGAN 48446

4. The Government may terminate this lease in whole or in part effective at 12:00 am on the first (1st) day of the eighth (8th) year of the term or any date thereafter by giving at least 90 days' notice in writing to the Lessor and 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 XX 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.~~

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

LESSOR
ELBA ROAD DEVELOPMENT, LLC

BY
IN PR



Principal
(Title)



UNITED STATES OF AMERICA

BY




Contracting Officer, General Services Administration
(Official Title)

13. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$464,310.56 (13,373 USF x \$34.72) shall be amortized through the rent for 7 years at the rate of 5.90%. The total annual cost of Tenant Improvements for the amortization period shall be \$81,128.03 per annum. (\$5.61/RSF). In the event final TI costs result in a rate that would be less than the amortized rate above, the rental rate will be adjusted to reflect the actual TI funds expended and shall be amortized over the firm term of the lease. If the government determines the Lessor's TI costs are fair and reasonable, but is unable to reduce scope of the project, the Government may request the Lessor to obtain up to 20% of the original tenant improvement allowance in additional funds to complete the Tenant Improvements approved by the Government.
14. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100%.
15. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$4.99/RSF (\$72,220.27/annum).
16. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.08226 (14,473 RSF/13,373 USF).
17. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$0.00/USF for vacant space (rental reduction).
18. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire building or any portion thereof.
19. The Lessor hereby waives restoration.
20. Internal roof-hatch access must be in an area controlled by Lessor that exists outside of [REDACTED] usable space.
21. Government reserves the right to move core building elements prior to build-out, with Lessor's approval.
22. Per Paragraph 2.1 of SFO #GS-05B-17728, Seismic compliance of the newly constructed building must be completed and certified by a structural engineer 30 calendar days before the acceptance of space.
23. All expenditures related to Overhead and Profit, General Conditions, design costs, and all fees for Tenant Improvements (TI) are included in the Shell Rent and will not be added to the TI cost proposal after award.
24. The Contracting Officer represents the General Services Administration as an agent with the 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.
25. The Lessor's Tax Identification number is [REDACTED] and the DUNS number is 829454037.
26. Central Contractor Registration (CCR.gov) must be completed by December 1, 2009.
27. In accordance with Paragraph 7.5, cleaning must be performed between the hours of 8:30 a.m. and 4:00 p.m during the time which the agency is open for business and an authorized [REDACTED] agent (employee) is present.
28. In accordance with Paragraph 1.13 of the SFO entitled, **BROKER COMMISSION AND COMMISSION CREDIT**, the projected commission is [REDACTED]. This amount is based on [REDACTED] of the gross rental rate of both Base Shell and TI costs only during the seven (7) - year firm term of the lease. For the benefit of the Government, the Broker has agreed to forgo [REDACTED] of any commission that it is entitled to receive in connection with this lease transaction. The Broker shall be paid directly by the Lessor [REDACTED] of the Total Broker's Commission estimated to be [REDACTED] (the "Remaining Broker's Commission"). The resulting total dollar value of the foregone commission is estimated to be [REDACTED] (the "Commission Credit") which shall not be paid to the Broker, but shall be applied in equal monthly amounts against the shell rental payments due and owing under the Lease.

The rentable amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months, not to exceed twelve (12) months and that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. The parties agree to execute a Supplemental Lease Agreement setting forth the full nature, extent, terms, and conditions of the Total Broker's Commission, Remaining Broker's Commission, and Commission Credit to be applied against the Government's rental payment obligations under the Lease, prior to the Government's occupancy.

In the event that the rental rate is adjusted due to an increase or decrease to the tenant build-out amount, square footage, or other item resulting in a change to the gross rental amount, the Total Broker's Commission, Remaining Broker's Commission and Commission Credit shall be recalculated based on the revised base rental rate, prior to the Government's occupancy. The Remaining Broker's Commission is payable to Jones Lang LaSalle in accordance with the following schedule: 50% due at loan closing and 50% due upon occupancy.

Lessor
Gant.



6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO GS-05B-17728 dated June 20, 2008, as amended.
 - B. Build out in accordance with standards set forth in SFO GS-05B-17728 dated June 20, 2008, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
7. The following are attached and made a part hereof based on the final proposal revision dated July 6, 2009 consisting of:
 - A. Solicitation for Offers GS-05B-17728, dated June 20, 2008, and Amendments 1-6.
 - B. U.S. Government Lease For Real Property, Standard Form 2 (SF-2) — 1 Page
 - C. U.S. Government Lease For Real Property, Standard Form 2, Attachment A (Paragraphs 6 – 28) – 2 Pages
 - D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [11/05]) (Pages 33 pages)
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]) (7 pages)
 - F. GSA Form 3516 entitled SOLICITATION PROVISIONS – (6 Pages)
 - G. GSA Form 1364A - (2 pages)
 - H. GSA Form 1364 – Attachment #2 - (Lease Cost Breakdown Sheet) - (2 pages)
 - I. GSA Form 1217 Lessor's Annual Cost Statement (1 pages)
 - J. Certificate of Seismic Compliance Existing Building (1 page)
 - K. Pre-Lease Fire Protection and Life Safety Evaluation for a Low-Rise Office Building(4 pages)
 - L. Pre-Lease Building Security Plan (7 pages)
 - M. Davis-Bacon Wage Rates – Genesee County, Michigan (33 pages)
 - N. GSA Form 3881 – ACH Vendor/Miscellaneous Payment Form – (2 pages)
 - O. Attachment # 1 – Parking Map for proposed site (1 Page)
 - P. Attachment #2 – Site Plan (1 Page)
 - Q. Attachment #3 – Floor Plan (1Page)
 - R. Attachment #4 – Proposed Building - Elevations
 - S. Attachment #5 – Proposed Building - List of Building Materials (2 pages)
8. The following changes were made to the lease prior to its execution:
 - a. Paragraph 5 was deleted in its entirety.
 - b. Amendment #1 modified Section 3.15B
 - c. Amendment #2 modified Sections 1.4.A.6 and 1.4.D. Paragraphs 1, 2, 3
 - d. Amendment #3 modified Sections 3.3.A, 3.3.B, 3.3.C, and 1.16
 - e. Amendment #4 was added to the lease.
 - f. Amendment #5 was added to the lease
 - g. Amendment #6 was added to the lease
9. The date of this lease is the date this contract was formed as a result of the Government's acceptance of the Lessor's Final Proposal Revision dated July 6, 2009, submitted by the Lessor under SFO # GS-05B-17728. This lease reflects the terms and conditions of the accepted Final Proposal Revision.
10. The effective date of September 1, 2010 stated in paragraph 2 of SFO #GS-05B-17728 is the estimated lease commencement date. If the actual date of substantial completion and the acceptance of the space is different from this date, then the actual date of the lease will be established by Supplemental Lease Agreement (SLA). The lease will then be in effect for ten (10) years, seven (7) years firm term. The anniversary date for annual escalations and operating cost adjustments shall be adjusted to coincide with any revised, actual commencement.
11. The Lessor shall not construct, alter, remove, or add to the lease area without prior notification and approval from General Services Administration (Contracting Officer).
12. If the property housing the leased premises is sold or transferred, the following information is required before the Government can acknowledge the successor in interest and change the payee for rent or other payments:
 - a. Evidence of the transfer of title.
 - b. A letter from successor - Lessor (transferee) assuming, approving, and adopting the lease and agreeing to be bound by its terms.
 - c. A letter from prior Lessor (transferor) waiving all right against the United States of America, except unpaid rent through a specified date, usually the date of ownership transfer.
 - d. The [redacted] tax identification number for the new owner.

Where leased premises are transferred by death of Lessor, a copy of the letters of Administration where there is no will, showing the Lessor (s), is required. Unless an interim court order is received, rents will be accrued and paid to the new owner(s) upon final settlement of the estate.

Lessor
Grant

[Signature]