

LEASE NO. GS-05P-LMI19073

Succeeding/Superseding Lease
GSA FORM L202 (May 2015)

The City of Grand Rapids Building Authority owns and, through a Master Lease, leases to the City of Grand Rapids condominium #2 in One North Division Building, 1 North Division Street, Grand Rapids, MI 49503-2206. The City of Grand Rapids subleases condominium #2 of that building to the State of Michigan under Sublease #10954, for which the Government has been furnished a copy. This Sub-Sublease (hereinafter "Lease" for convenience) is therefore made and entered into between

The State of Michigan

as Sub-SubLessor (hereafter "Lessor" for convenience), whose principal place of business is 320 S. WALNUT, LANSING, MI 48909-0000, and

The United States of America

as Sub-SubLessee (hereafter "Government" for convenience), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

One North Division Building, 1 North Division Avenue, Grand Rapids, MI 49503-3132

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning on **October 1, 2016**, and continuing for a period of **10 Years, 5 Years Firm**,

subject to termination and renewal rights as may be hereinafter set forth.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

FOR THE GOVERNMENT:

[Redacted signature area]

[Redacted signature area]

Name: Robert M. Burns

Linda D. Hattersley

Title: Director, Real Estate Division, Department of Technology Management and Budget, State of Michigan

Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 11-1-2016

Date: 11/9/2016

WITNESSED FOR THE LESSOR BY:

APPROVED
State Administrative Board

Name: [Redacted]

OCT 25 2016

Item No. 13

Title: DEPT SPECIALIST 14

Date: 11-1-2016

[Redacted signature area]

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. **Office and Related Space:** 50,320 rentable square feet (RSF), yielding 44,121 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 2nd and 3rd floor(s), of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 1.1405000 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013) MODIFIED

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. **Parking:** 4 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 4 shall be structured/inside parking spaces, and 0 shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease, and (4) Continuing access to [REDACTED] security camera surveillance feeds for the leased premises for official Government use purposes of the Government's authorized security staff, subject to approval by [REDACTED]

1.03 RENT AND OTHER CONSIDERATIONS (APR 2015) MODIFIED

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM	NON-FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$ 1,189,044.00	\$1,248,496.20
TENANT IMPROVEMENTS RENT	\$ 0.00	\$ 0.00
OPERATING COSTS ²	\$ 229,038.00	\$ 229,038.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC)	\$ 0.00	\$ 0.00
PARKING ³	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$ 1,418,082.00	\$ 1,477,534.20

¹Shell rent calculation:
 (Firm Term) \$23.6296502 per RSF multiplied by 50,320 RSF
 The Government shall take a Free Rent Credit of \$20,000.00 in the first month's rent payment.
 (Non-Firm Term) \$24.8111328 per RSF multiplied by 50,320 RSF

²Operating Costs rent calculation: \$4.5516296 per RSF multiplied by 50,320 RSF

³Parking costs described under sub-paragraph H below

- B. INTENTIONALLY DELETED
- C. INTENTIONALLY DELETED
- D. INTENTIONALLY DELETED

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

H. Parking shall be provided at a rate of \$0.00 per parking space per month (structured/inside).

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. DTZ Americas, Inc. d/b/a Cushman & Wakefield (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to DTZ Americas, Inc. d/b/a Cushman & Wakefield with the remaining [REDACTED], which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully 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:

Month 2 Rental Payment \$118,173.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after September 30, 2021, by providing not less than 120 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (SEP 2013)

This Lease may be renewed at the option of the Government for a term of [REDACTED] at the following rental rate(s):

OPTION TERM, [REDACTED]	
	ANNUAL RENT ANNUAL RATE / RSF
SHELL RENTAL RATE	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

provided notice is given to the Lessor at least 120 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (APR 2015)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING PLAN(S)	1	B
SECURITY REQUIREMENTS	12	C
[REDACTED]	5	D
GSA FORM 3517B GENERAL CLAUSES	46	E
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	F

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 BUILDING-SPECIFIC AMORTIZED CAPITAL (SEP 2012) INTENTIONALLY DELETED

1.10 BUILDING-SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012) INTENTIONALLY DELETED

1.12 REAL ESTATE TAX BASE (SEP 2013) INTENTIONALLY DELETED

1.13 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$4.55162957 per RSF (\$229,038.00/annum).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$1.00 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$50.00 per hour for the entire Space.

1.16 24-HOUR HVAC REQUIREMENT (SEP 2014) INTENTIONALLY DELETED

1.17 BUILDING IMPROVEMENTS (SEP 2012) MODIFIED

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements within 120 working days of Lease Award:

- Repainting of the Space, including the costs for moving and returning of furnishings, as well as disassembly and reassembly of systems furniture per manufacturer's warranty, as a Lessor Shell cost.
- Change door swing on the two doors between the released space and the courtrooms; [REDACTED] – open only in case of an emergency" at no cost to the Government.
- [REDACTED] at no cost to the Government.
- Touch up wood surfaces in the common areas as a Lessor Shell cost.
- Installation of the Tyco Integrated Security System per Lease Section 7.02 SECURITY UPGRADES and Lease Exhibit E Tyco Integrated Security Proposal.