

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: **OCTOBER 28, 2008**

LEASE NO.: **GS-05B-17766**

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

Whose address is **WSSA 2 LLC  
140 East Second Street  
Flint, MI 48502**

and whose interest in the property is hereinafter described as that of owner hereinafter called the Lessor for the premises described below 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:

33,000 rentable square feet of office, warehouse and storage space which yields 31,386 ANSI/BOMA office area square feet. The facility will be constructed on that certain real property consisting of approximately 10.5 acres located at Trunk Highway 11, consisting of Government Lots 3 and 4 of Section 35, Township 71 North, Range 24 West of the Fourth Principal Meridian in Koochiching County, City of International Falls, MN 55649 (as described in Exhibit A attached hereto – legal description). Such facility described herein, together with the real property shall be hereinafter collectively referred to as the "Leased Premises" (as described in Exhibit B attached hereto)

A total of eighty (80) parking spaces are available to the Government, its visitors and employees at no additional cost. Twenty-five (25) of the parking spaces will be located in a heated garage. Fifty (50) outdoor, surface parking spaces will be designated for employees and the remaining five (5) outdoor, surface parking spaces will be designated for visitors.

Said premises to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on June 1, 2010 through May 31, 2025, subject to any renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor rent as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RATE/RSF</u>
Years 1 – 15	\$1,260,000.00	\$105,000.00	\$38.18

CPI and tax escalations continue throughout the term of the lease.

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

WSSA 2, LLC  
140 East Second Street  
Flint, MI 48502

4. The term of this lease shall be for fifteen (15) years firm.

~~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, the following:

- A. Acquire "Fee Simple Interest" of the 10.5 acres site proposed at Trunk Highway 11, consisting of Government Lots 3 and 4 of Section 35, Township 71 North, Range 24 West of the Fourth Principal Meridian in Koochiching County, City of International Falls, MN 55649.
- B. Design, develop, construct, finance and manage the Leased Premises in accordance with the provisions of this Lease.
- C. All services, utilities, maintenance and other operations as set forth elsewhere in this lease.
- D. All responsibilities and obligation as defined in the Solicitation for Offers Number GS-05B-17766, as amended, and other attachments to the Lease referenced in Paragraph 7 of this SF-2 form.
- E. Eighty (80) parking spaces shall be provided in a heated garage and surface parking lots as follows:

Twenty-five (25) in a heated garage; fifty (50) spaces designated for employees in a surface parking lot and five (5) spaces designated for visitors in a surface lot.

7. The following are attached and made a part hereof:

U.S. Government Lease For Real Property, Standard Form 2, Attachment A (Paragraphs 9 – 33) – 5 Pages  
Solicitation for Offers (SFO), As Amended – 51 Pages  
Synopsis and Special Requirements, As Amended – 35 Pages  
Form 3517, General Clauses – 34 Pages  
Form 3518, Representations and Certifications – 7 Pages  
Exhibit A, Legal Description Page – 2 Pages  
Exhibit B, Site Plan and Floor Plans – 3 Pages  
Exhibit C, Design Narrative – 24 pages


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


Paragraph 5 was deleted in its entirety without substitution.

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

LESSOR WSSA 2, LLC

BY   
(Signature)

IN PRESENCE OF:  
  
(Signature of Witness)



140 E. SECOND ST. FLINT MI  
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

By   
(Signature)

Contracting Officer  
(Official title)

9. The date of this lease, October 28, 2008, is the date this contract was formed as a result of the Government's acceptance of the Lessor's Final Proposal Revision offer dated August 22, 2008, submitted by the Lessor under SFO No. GS-05B-17766 and all attachments. This Lease reflects the terms and conditions of the accepted Final Proposal Revision Offer.
10. Design Intent Drawings will be due from the Lessor within forty-five (45) working days from award. The space will be constructed and ready for occupancy within 180 working days from the Government's issuance of the Notice to Proceed as stated in Section 3.19, as amended, of the Lease. The space will comply with the handicap accessibility requirements of the Lease.
11. The date of June 1, 2010 in Paragraph 2 of the Standard Form 2 ("SF-2") herein is the estimated effective date. If the actual date of substantial completion is different from this date, then the actual effective date shall be established by Supplemental Lease Agreement. The lease term will then be in effect for fifteen (15) years thereafter, computed from the actual effective date. The anniversary date for adjustments shall be adjusted to coincide with any revised actual effective date.
12. The total ANSI/BOMA square foot area referred to in Paragraph 1 of the SF-2 herein is subject to an adjustment with the actual number of ANSI/BOMA square feet delivered to be determined by mutual field measurements in accordance with the provision of Paragraphs 3.9 and 3.10 in the Lease. However, it is mutually agreed that the total ANSI/BOMA office area square feet may not exceed the maximum limitation of 31,386 ANSI/BOMA office area square feet as stated in Paragraph 1.1 of the Lease. If the actual number of ANSI/BOMA square feet differs from Paragraph 1 of the SF-2, the Lease shall be amended by Supplemental Lease Agreement after field measurement to establish the square footage in compliance with the terms of this paragraph. Should there be any adjustment in the actual amount of ANSI/BOMA area delivered, the per annum rental rate referred to in Paragraph 3 hereinabove shall be adjusted according to the rates set forth in Paragraph 3.
13. In accordance with Paragraph 3.11 of the Lease, the Common Area Factor is established as 1.05142.
14. For the purpose of computing Operating Cost adjustments in accordance with Paragraph 3.7 of the Lease, the cost of services base is \$ 216,150.00 per annum or \$6.55 per rentable square foot of 33,000 square feet of rentable office, warehouse and storage space.
15. The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 3.5 of the Lease, the percentage of occupancy is 100. The parcel codes for the property will be added to the Lease by Supplemental Lease Agreement.
16. Pursuant to Paragraph 3.15 of the Lease, in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$2.20 per ANSI/BOMA Office Area square foot per annum for operating expenses.
17. Lessor shall provide heating, ventilation and air-conditioning (HVAC) Services, twenty-four (24) hours a day, seven (7) days a week.
18. Lessor shall provide janitorial service within Tenant's space seven (7) days a week, between the operating hours of 8:00 a.m. and 5:00 p.m.

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- 19. The tenant build out will conform to the specifications in the Lease and all attachments, and are to be provided by the Lessor as part of the total rental payment. In accordance with Paragraph 1.8 of the Lease, the Lessor agrees to provide up to \$1,274,271.60 toward the cost of the Tenant Improvements. The tenant build out cost of \$1,274,271.60 (based on \$40.60 per ANSI/BOMA Office Area square foot) is amortized for a period of fifteen (15) years at 7.75%. Therefore, the amortized tenant build out costs are \$143,932.92 per annum or \$4.36 per rentable square foot. Pursuant to Paragraph 1.11 of the Lease, in the event the Tenant Improvement Cost is less than the amount provided above, the Lessor agrees to refund such difference in the form of reduction of base rent using a 7.75% amortization rate. The refund will be a credit of the rent equally spread out throughout the firm lease term (15 years). In the event that the Tenant Improvement Cost is greater than the amount provided above, Lessor agrees to amortize the additional cost at 7.75% throughout the firm lease term, or the Government may choose to pay lump sum for any part of the Tenant Improvement Cost. The Government and Lessor must agree on any additional Tenant Improvement Cost through a Supplemental Lease Agreement.
- 20. The Lessor must comply with all construction and development requirements of the City of International Falls, Minnesota. Furthermore, the Lessor will meet all Fire and Life Safety requirements as stated in the Lease, along with meeting all local codes specified in local standards.
- 21. It is mutually agreed that the building setback from the street, property line or other public access areas, including visitor parking, must be a minimum of 100 feet.
- 22. Information regarding Electronic Funds Transfer Payment Methods is provided in Paragraph 24, 552.232-76 General Clauses.
- 23. The Lessor is a Limited Liability Company and a small business. The Tax Identification Number is [REDACTED]. The Lessor's DUNS number is 78-398-1579.
- 24. Lessor is registered with the Central Contractor Registration (CCR) system as referenced in Paragraph 11 of Form 3518.
- 25. Pursuant to Paragraph 3.1 of the Lease, "**Unit Costs for Adjustment**", the following negotiated amounts may be used during the first year of the lease to price alterations costing \$100,000 or less. These prices may be indexed or renegotiated to apply to subsequent years of the lease upon mutual agreement of the Lessor and the Government.

<u>ITEM</u>	<u>UNIT COST</u>
1.	The cost per linear foot of office subdividing ceiling-high partitioning:
2.	The cost per floor-mounted duplex electrical outlet:
3.	The cost per wall-mounted duplex electrical outlet:
4.	The cost per floor-mounted fourplex (double duplex) electrical outlet:
5.	The cost per wall-mounted fourplex (double duplex) electrical outlet:
6.	The cost per dedicated clean electrical computer receptacle:
7.	The cost per floor-mounted telephone outlet:
8.	The cost per wall-mounted telephone outlet:
9.	The cost per interior door:



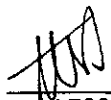

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26. Novation and Change of Name:

- A. In the event of a transfer of ownership of the lease premises, an assignment of lease or a change in the Lessor's legal name, the Lessor must comply with the requirements of Subpart 42.12 of the Federal Acquisition Regulations (FAR).
- B. The Government and the Lessor may execute a Change of Name Agreement where only a change of the Lessor's name is involved and the Government's and the Lessor's rights and obligations remain unaffected. A sample form is found at FAR 42.1205
- C. The Government, the Lessor and the successor in interest may execute a Novation Agreement when the Lessor's rights or obligations under the lease are legally transferred.
- D. In addition to all documents required by Far 42.1204, the Contracting Officer may request additional information (i.e., copy of the deed, bill of sale, certificate of merger, contract, court decree, articles of incorporation, operation agreement, partnership certificate of good standing, etc.) from the transferor or transferee to validate the proposed changes.
- E. The transferee must submit a new GSA Form 3518, Representations and Certifications.
- F. Any separate agreement between the transferor and transferee regarding the assumption of liabilities shall be referenced specifically in the Novation Agreement.
- G. When it is in the best interest of the Government not to concur in the transfer of a contract from one entity to another, the original contractor remains under contractual obligation to the Government. The applicability of novation agreements is detailed at FAR 42.1204.
- H. When executed on behalf of the Government, a Novation Agreement will be made part of the lease via Supplemental Lease Agreement.
- I. In the event of a change in ownership, rent will continue to be paid to the prior Lessor until the Supplemental Lease Agreement is executed by the Government. New Lessors must comply with all provisions of this Lease, including but not limited to, Central Contractor Registration and the provision of all information required by the Contracting Officer.
- J. Notwithstanding anything to the contrary in this Lease, the Government has no obligation to recognize a change of ownership or interest until (1) the payment of rent has commenced; and (2) any amounts due and owing to the Government hereunder have been paid in full or completely set off against this Lease.

27. The Contracting Officer represents the General Services Administration as an agent with authority to enter into the Lease on behalf of the Government and execute this document in his/her official capacity only and not as an individual.

28. The Government assumes no responsibility for any conclusions or interpretations made by the Lessor based on information made available by the Government and/or its contractors. Nor does

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the Government assume any responsibility for any understanding reached or representation made concerning conditions which can affect the work by any of its officers or agents before execution of this contract unless that understanding or representation is expressly stated in the Lease.

- 29. It is agreed by the parties hereto that all the 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 the Lessor and Government prior to the execution of this Lease are neither applicable nor binding. This agreement may be amended only by written instrument executed by the Lessor and the Government.
- 30. All questions pertaining to this Lease shall be referred in writing to the General Services Administration Contracting Officer or their designee. The Government occupant is not authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized in writing by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this lease, including but not limited to: repairs, alterations or overtime services. Additionally, rent will not be paid for occupancy in whole or in part except for the term specified herein.
- 31. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Leased Premises".
- 32. Lessor's key personnel consist of WSSA 2, LLC, Johnson Wilson Contractors and LHB Architects. Substitutions of key personnel after award will be allowed only where the proposed substitute can demonstrate experience and past performance equal to or greater than that of the individual being replaced and shall be subject to the advance written consent of the Government. If changes in the key personnel occur after award, no increases in contract prices or delay in contractor performance will be allowed as a result of the Lessor's substitution, addition or replacement of key personnel. If there is a change in the Lead Designer after award, the design philosophy submitted, evaluated and providing the basis for award must be used.
- 33. In accordance with Paragraph 1.13 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit, which shall be hereby agreed to as [REDACTED], only [REDACTED], which is 4 [REDACTED] of the Commission, will be payable to Studley when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the Government as a credit to the shell rental portion of the annual rental payments.

Notwithstanding Paragraph 3 of the 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:

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First Month's Rental Payment \$105,000.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's rent.

Second Month's Rental Payment \$105,000.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's rent.

Third Month's Rental Payment \$105,000.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's rent.

Fourth Month's Rental Payment \$105,000.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's rent.

Fifth Month's Rental Payment \$105,000.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's rent.

Sixth Month's Rental Payment \$105,000.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's rent.

INITIALS: [Handwritten Signature] LESSOR & CB GOVERNMENT