

DATE OF LEASE

1-19-2010

LEASE NO

GS-05B-18274

THIS LEASE, made and entered into this date by and between Arbor Gate Development, LLC

whose address is 3001 West Beltline Highway
Suite 202
Madison, Wisconsin 53713

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:

15,705 rentable square feet of office space located on the third (3rd) floor of Arbor Gate located at 2501 West Beltline Highway in Madison, Wisconsin 53713-2318, yielding 13,600 usable square feet.

Two (2) reserved on-site structured parking spaces are included at no additional cost to the Government.

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 or before September 1, 2010 through August 31, 2020, 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>	<u>RATE/USF</u>
Year 1*	\$322,424.00	\$26,868.666	\$20.530	\$23.707

* The rent increases annually, in years 2 through 10 by \$0.50/RSF (or \$0.58/USF).

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

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

Arbor Gate Development LLC
3001 West Beltline Highway
Suite 202
Madison, Wisconsin 53713

4. The term of this lease shall be for ten (10) years, five (5) years firm with ninety (90) days written cancellation notice anytime on or after August 31, 2015. 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, the following:

A. All services, utilities, maintenance and other operations as set forth elsewhere in this lease.

B. All responsibilities and obligations as defined in the Solicitation for Offers Number GS-05B-18275 and other attachments to the Lease referenced in Paragraph 7 of this SF-2 form.

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

- U.S. Government Lease For Real Property, Standard Form 2 – 2 pages
- Attachment A (Paragraphs 9 – 31) – 4 Pages
- Solicitation for Offers (SFO No. GS-05B-18275 dated July 20, 2009) — 51 Pages
- General Requirements of [REDACTED] Shell Space - 11 Pages
- TI/Shell Guide – 4 Pages
- SFO Amendment No. 1 – 1 Page
- SFO Amendment No. 2 – 1 Page
- Form 3516 A, Solicitation Provisions (Rev-12/03) – 6 Pages
- Form 3517B, General Clauses (Rev 11/05) — 33 Pages
- Form 3518, Representations and Certifications (Rev 1/07) — 7 Pages
- Exhibit A, Floor Plan — 1 Page

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.

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LESSOR ARBOR GATE DEVELOPMENT, LLC

[REDACTED]

[REDACTED]

AUTHORIZED MEMBER VICE PRESIDENT

3001 W. BERTLINE Hwy, MADISON WI 53713
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION



BY [REDACTED]

GERALD KOSMAN – Contracting Officer

9. This contract was formed as a result of the Government's acceptance of the Lessor's Final Proposal Revision offer dated September 22, 2009 as clarified on October 28, 2009, submitted by the Lessor under SFO No. GS-05B-18275 and all attachments. This Lease reflects the terms and conditions of the accepted Final Proposal Revision Offer.
10. The date of September 1, 2010 in Paragraph 2 of the SF-2 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 ten (10) years thereafter, computed from the actual effective date. The anniversary date for adjustments shall be adjusted to coincide with any revised actual effective date.
11. 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 provisions of Paragraph 4.1 in the SFO. However it is mutually agreed that the total ANSI/BOMA office area square feet may not exceed the maximum limitation of 13,600 ANSI/BOMA office area square feet as stated in Paragraph 1.1 of the SFO.

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.

Rental is subject to a physical mutual measurement and will be based on the rate, per ANSI/BOMA Office Area square foot (USF) as noted in Paragraph 3 of the SF-2, and the actual USF in accordance with Paragraph 27, "PAYMENT" of the GENERAL CLAUSES. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum USF requested in Paragraph 1.1 "AMOUNT AND TYPE OF SPACE" of the Solicitation for Offers (SFO).
12. In accordance with Paragraph 4.1 of the SFO, the Common Area Factor is established as 1.154779411 (15,705 RSF / 13,600 USF).
13. For the purpose of computing Operating Cost adjustments in accordance with Paragraph 4.3 of the SFO, the base cost of services in accordance with Paragraph 4.3 is \$59,681.00 per annum or \$3.80 per rentable square foot for 15,705 square feet of rentable office space. This equates to a rate of \$4.39 per usable square foot.
14. The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 4.2 of the SFO, the Government's percentage of occupancy is 7.31%.
15. In the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$0 per usable square foot per annum for operating expenses.
16. Pursuant to Paragraph 4.6 of the SFO, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. – 6:00 p.m. Monday through Friday,) and except Federal Holidays ("Normal Hours"), at a rate of \$20.00 per hour.
17. Lessor shall provide janitorial service during normal working hours but outside the hours the office is open to the public, Monday through Friday, except Saturdays, Sundays and federal holidays.
18. 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 3.2 of the SFO, as amended by SFO Amendment No. 2, the Lessor agrees to provide up to \$566,576.00 toward the cost of the Tenant Improvements. The tenant build out cost of \$566,576.00 (based on a maximum \$41.66 per ANSI/BOMA Office Area square foot) is amortized for a period of one hundred twenty (120) months at 3.25%. Therefore, the maximum amortized tenant build out costs are \$66,438.31 per annum or \$4.23 per rentable square foot. Actual Tenant Improvements will be negotiated and subject to change.

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Pursuant to Paragraph 3.3 of the SFO, 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 3.25% amortization rate. The refund will be a credit of the rent equally spread out throughout the lease term (120 months). In the event that the Tenant Improvement Cost is greater than the amount provided above, 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.

Lessor acknowledges that the lease is for ten (10) years, five (5) years firm and that by amortizing the Tenant Improvement Costs over the full ten (10) year term it is assuming any financial risks or losses associated with amortizing over the full lease term (10 years) versus the firm lease term (5 years).

19. Information regarding Electronic Funds Transfer Payment Methods is provided in Paragraph 24, 552.232-76, General Clauses.
20. The Lessor is a Wisconsin limited liability company and a small business. The Tax Identification Number is [REDACTED]. The DUNS number is 926796848.
21. Lessor is registered with the Central Contractor Registration (CCR) system as referenced in Paragraph 11 of Form 3518.
22. 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:
 - (I) Evidence of the transfer of title.
 - (II) A letter from the successor lessor (transferee) assuming, approving, and adopting the lease and agreeing to be bound by its terms.
 - (III) A letter from the prior lessor (transferee) waiving all rights under the lease as against the United States of America, except unpaid rent through a specified date, usually the date of ownership transfer.
 - (IV) The IRS tax identification number for the new owner. Where leased premises are transferred by death of the Lessor, a copy of the letters of administration when 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.
23. 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.
24. 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 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.
25. 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 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.

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26. 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 and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
27. 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".
28. The Lessor and the Broker (CB Richard Ellis) have agreed to a cooperating lease commission of [REDACTED] of the Aggregate Lease Value as defined in the Broker Commission Letter dated July 21, 2009. The total amount of the commission is [REDACTED] (See below). 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] (See below). The Lessor agrees to pay the Commission less the Commission Credit [REDACTED] to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. Total commission is subject to rental cost based on final accepted square feet.

Lump Sum and Broker Credit Calculation							
Rentable SF	Rental Rate per RSF	Firm Period	Broker %	Total Lump Sum	Rebate	Commission Credit	Broker Commission
15,705	20.53 *	1 yr	[REDACTED]	\$11,284.83	[REDACTED]	[REDACTED]	[REDACTED]
15,705	21.03 *	1 yr	[REDACTED]	\$11,559.67	[REDACTED]	[REDACTED]	[REDACTED]
15,705	21.53 *	1 yr	[REDACTED]	\$11,834.50	[REDACTED]	[REDACTED]	[REDACTED]
15,705	23.03 *	1 yr	[REDACTED]	\$12,659.02	[REDACTED]	[REDACTED]	[REDACTED]
15,705	22.53 *	1 yr	[REDACTED]	\$12,384.18	[REDACTED]	[REDACTED]	[REDACTED]
Total:				\$59,722.19	[REDACTED]	[REDACTED]	[REDACTED]

*The Rental Rate per RSF increases \$0.50 per RSF annually.

Notwithstanding Paragraph 3 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 \$26,868.666 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's rent.

Second Month's Rental Payment \$26,868.666 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's rent.

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29. The Tenant Improvement Fee Schedule is as follows and Lessor agrees not to exceed these figures:
- A. The General Conditions will not exceed 4% of the total subcontractor's costs.
 - B. The General Contractors fee will not exceed 5% of the total subcontractor's costs.
 - C. Architectural and Engineering fees will not exceed 3% of the total cost.
 - D. Lessor's Project Management fees will not exceed 0% of the total subcontractor's costs.
30. Lessor has one deviation to the SFO, **Section 1.8. D. Public Transportation: A commuter rail, light rail, or subway station shall be located within the immediate vicinity of the building, but generally not exceeding two (2) city blocks, as determined by the contracting officer. Alternatively, two or more public or campus bus lines usable by tenant occupants shall be located within the immediate vicinity of the building, but generally not exceeding two (2) city blocks, as determined by the contracting officer.** Lessor advises that there is no commuter rail in Dane County.
31. Lessor acknowledges that the main restrooms do not meet SFO requirements for 3 lavatories and 3 toilet/urinals in each restroom. The restrooms are short 1 lavatory in each. Lessor agrees that an additional lavatory will be added, at Lessor's expense, to each restroom.

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