

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

2/16/11

LEASE NO. LME04766

THIS LEASE, made and entered into this date by and between
whose address is: [REDACTED]

Gary J. Hagan

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. LESSOR HEREBY LEASES TO THE GOVERNMENT AND THE GOVERNMENT HEREBY LEASES FROM THE LESSOR THE FOLLOWING DESCRIBED PREMISES: An area of 19,110 Rentable Square Feet (RSF) yielding 18,622 BOMA Office Area Square Feet (BOASF), with a Common Area Factor of 2.62%, of office and general purpose space consisting of a portion of the building located at 967 Illinois Avenue, Bangor, ME, 04401-2766 (hereinafter the "Building"), and identified on the plan entitled "Floor Plan" and attached hereto as Exhibit A and by this reference made a part hereof; including 130 surface parking spaces, all improvements and all amenities being collectively hereinafter referred to as the "Premises" or the "Leased Premises", all of which are leased to the Government together with any and all appurtenances, rights, privileges and easements now or hereafter benefiting, belonging or appertaining thereto, including without limitation use of all common areas and facilities, and rights of ingress and egress to the Building, the Leased Premises and all common areas and appurtenances, to be used for general Government purposes as determined by the General Services Administration. Upon completion of the design phase, the Government reserves the right to re-measure the leased premises and adjust the annual rental amount and square footage notation if necessary.
2. TERM: TO HAVE AND TO HOLD the said Premises with their appurtenances for a term of ten (10) years commencing July 1, 2011 (the "Commencement Date"), and ending ten (10) years thereafter, unless extended or sooner terminated as provided herein or as may be allowed at law or in equity (the "Lease Term").
3. TERMINATION RIGHT: THE GOVERNMENT MAY TERMINATE this Lease in whole or in part at any time on or after the last day of the fifth (5th) year by giving at least one hundred and twenty (120) days prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said 120-day period shall be computed commencing with the day after the date of mailing of the notice by the Government
4. RENEWAL OPTION (intentionally deleted)
5. THE GOVERNMENT SHALL PAY to the Lessor, commencing on the Commencement Date and in accordance with Paragraph 20 of the General Clauses of the Lease, rent as follows:

Years 1 through 5: Annual rent of \$496,860.00 payable at the rate of \$41,405.00 per month, in arrears and;
Years 6 through 10: Annual rent of \$477,750.00 payable at the rate of \$39,812.50 per month, in arrears,
via Electronic Funds Transfer to:

Gary J. Hagan
[REDACTED]

Rent for a lesser period shall be prorated on a per diem basis. The Government shall have the right to utilize 130 surface parking spaces at no extra charge.

Initial/Date:

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6. THE LESSOR SHALL FURNISH TO THE GOVERNMENT, for the stated rental consideration specified in Paragraph 5 above and at no further cost or expense to the Government, the following:
- (a) The Leased Premises, and all appurtenances, rights and privileges as described in Paragraph 1 hereof;
 - (b) All requirements including, but not limited to, all services, utilities, compliance activities and efforts, alterations, improvements, build-out (except for lump sum reimbursable items), and maintenance, repair and replacement requirements, all as specified in or contemplated by Solicitation for Offers OME2013, dated July 22, 2010, (hereinafter, the "SFO"), attached hereto and by this reference made a part hereof;
 - (c) All construction in accordance with the SFO, including, without limitation, all provisions of the Architectural Finish Section of the SFO and the to be delivered Approved Government Layout Drawings;
 - (d) All provisions and specifications of the Lessor's Revised Best and Final proposal dated October 14, 2010, submitted in response to the SFO and the Government's request for Revised Best and Final Offers;
 - (e) All services, including, without limitation, construction drawings and specifications, engineering and architectural services, and all permitting and approval requirements as are necessary to effect the construction and delivery of the Leased Premises in accordance with the requirements described herein;
 - (f) Proof of Energy Star certification or completion of any energy efficient renovations that are deemed cost effective per the terms of the Energy Efficiency and Conservation paragraph as added to the SFO per SFO Amendment #3. Proof of Energy Star certification or completion of required renovations must be completed within 12 months of lease execution; and
 - (g) All rights, reservations of rights, privileges and the like specified in, described by, or contemplated by this Lease.
7. IN REFERENCE TO BUILDOUT AND DELIVERY of the Leased Premises, the Lessor agrees to the following:
- (a) In no event shall the Leased Premises be deemed to be ready for occupancy unless the same shall comply fully with all provisions of this Lease, including, but not limited to, the substantial completion of all improvements, requirements and construction in accordance with the specifications contained in this Lease, the SFO and the Approved Government Layout Drawings as referenced in Paragraph 6 above and all documents referenced in such SFO and this lease.
 - (b) The phrase "substantial completion" (or "substantially complete") shall mean that all work necessary to deliver the Leased Premises in accordance with each and every requirement and specification of this Lease, and all other appurtenant things necessary for the Government's access to the Leased Premises and the full occupancy, possession, use and enjoyment thereof, shall have been completed or obtained, including, without limitation, all required reviews, approvals, consents and permits (including a final certificate of occupancy for the entirety of the Lease Premises allowing occupancy for each of the uses described in and by this Lease), excepting only such minor matters as do not interfere with or diminish such access, occupancy, possession, use or enjoyment. Further, as Lessor is aware, the security of the Leased Premises is of paramount concern to the Government and in no event will the Leased Premises be deemed "substantially complete" or ready for occupancy unless the security system for the Leased Premises is fully operational, as determined by the Contracting Officer.
 - (c) The Lessor hereby agrees that, as regards delivery of the Leased Premises to the Government ready for occupancy (hereinafter, "Delivery"):
 - (i) Time is of the essence.
 - (ii) Lessor shall effect Delivery of the requested tenant improvements in accordance with the timelines as outlined in SFO Section 5.7 "Construction Schedule",
 - (iii) Except with regard to such "Punch List" items as may be identified in the Acceptance Notice as defined in Paragraph 7(c)(v) hereof, it is a condition precedent to Delivery that all construction required under this Lease shall be substantially complete and comply with the requirements of FAR 52.246.12 and 21 and GSAR 552.246-72 (hereinafter, the "Regulations"), attached hereto and by this reference made a part hereof, and all drawings, plans and specifications referenced in Paragraph 6 and that the Leased Premises otherwise fully comply with the requirements of this Lease.
 - (iv) As required under the Regulations, not less than ten (10) calendar days prior to the date on which the Leased Premises will, in the Lessor's reasonable, professional opinion, be ready for occupancy by the Government (the "Proposed Readiness Date"), the Lessor shall deliver to the Government written notice of said Proposed Readiness Date. Unless the Contracting Officer determines that the Leased Premises are not ready for inspection, not more than ten (10) calendar days following the Proposed Readiness Date, the Government shall commence inspection of all construction required under this Lease for compliance with the Regulations, the plans and all terms and conditions of this Lease (hereinafter, the "Compliance Inspection").
 - (v) It is a further condition precedent to Delivery hereunder that a satisfactory Compliance Inspection shall have been completed by the Government, and the Contracting Officer shall have delivered to the Lessor, written notice of the Government's acceptance of the Leased Premises as ready for occupancy (an "Acceptance Notice"), together with a Punch List or lists as contemplated in Paragraph 7(d) below, if applicable.
 - (vi) Lessor's failure to deliver the entire Leased Premises substantially complete and ready for occupancy, as defined in this Paragraph 7, on the Delivery Date, shall be deemed to be an event of default pursuant to the Default in Delivery clause of this Lease, Paragraph 11 of GSA Form 3517, General Clauses of this Lease (the "General Clauses"), attached hereto and by this reference made a part hereof.

Initial/Date: [Signature] & [Signature]
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(vii) Government acceptance of the Leased Premises pursuant to the Compliance Inspection is an acknowledgment of the completion of the work inspected, but is not acceptance of conditions which cannot be fairly discovered until after the Government takes full operational occupancy, an acceptance of latent defects, a waiver of on-going compliance with performance-based specifications, standards and requirements, or a certification of compliance with laws, regulations or other approvals or requirements. Lessor shall remain fully responsible for all of these, and shall correct any conditions at its sole cost and expense upon written notice from the Government.

(viii) Government review of Lessor-prepared and submitted construction drawings and subsequent comments on same, does not constitute a deviation from any provision, condition or requirement of this Lease unless specifically identified as such in writing by the Contracting Officer.

(d) If the Government accepts the Leased Premises as ready for occupancy and the Leased Premises are substantially complete but not fully complete, then the Government will provide to the Lessor after the Compliance Inspection a Punch List of Items remaining to be completed for all interior spaces in the Building (the "Interior Punch List Items"). Lessor and the Government agree that in the event that the Interior Punch List Items have not been completed within 30 days after the date the Government deems the Leased Premises ready for occupancy, the Government shall have the right to withhold from payments of rent due a sum of money equal to one and one-half times the estimated cost of completion of the outstanding interior Punch List Items. Upon completion of the Interior Punch List Items, any sums retained by the Government to cover the Interior Punch List Items shall be promptly paid to the Lessor. If Interior Punch List Items are not fully completed within 120 days after the date the Government deems the Leased Premises ready for occupancy, the Government may exercise its rights under Paragraph 15 of the General Clauses of the Lease and may avail itself of any other remedy available to the Government at law or in equity.

(e) Lessor shall promptly notify the Government Contracting Officer of any inconsistency among or between any of the documents referenced herein, and the Contracting Officer shall promptly determine which shall control.

8. **FREE RENT AND BROKERAGE COMMISSION:** In accordance with paragraph 2.3 of the SFO, "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 "Aggregate Lease Value" for the initial term of this Lease ("Commission"). The total amount of the Commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, Studley 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] which shall be due upon lease commencement and the remaining \$48,195.42 will be paid to Studley, Inc. upon lease execution.

The shell rental portion of the annual rental payments (\$13.43 per RSF x 19,110 RSF = \$256,647.30 or \$21,387.28 per month) due and owing under Paragraph 5 of this lease shall be reduced to fully recapture this Commission Credit. The total reduction in shell rent related to the commission credit is [REDACTED] and shall commence with the first month of the rental payment and continue through the third month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

- First Month's Rental Payment of \$41,405.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent
- Second Month's Rental Payment of \$41,405.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent
- Third Month's Rental Payment of \$41,405.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent

9. **THE GOVERNMENT SHALL HAVE THE RIGHT** but not the obligation, at its sole option and expense, to remove at any time during the term of this Lease any special equipment installed by Lessor for which Lessor was directly reimbursed by the Government as referenced above, unless such item is a fixture integral to the operation of the Building; in no event shall the following be considered fixtures integral to the operation of the Building: roof antenna(e) and/or dishes, security cameras and monitors.

10. **THE GOVERNMENT RESERVES THE RIGHT TO** provide and install telecommunications, computer cable, conventional furniture, systems furniture and certain special equipment prior to acceptance and occupancy of the Leased Premises. Outside contractors may be hired by the Government to perform this work. The Lessor shall allow early access to the Leased Premises as needed to inspect, measure, deliver and install such furniture, components, infrastructure and/or equipment at no cost or expense to the Government or its contractors. Lessor shall provide advance construction scheduling which shall allow sufficient time for successful completion of the work or installation of furniture, components infrastructure and/or equipment. Lessor shall work closely with the Government and Government contractors to coordinate scheduling of such work or installation at the appropriate stage(s) of construction. In no event shall any such early entry or access be deemed to be an acceptance of the space or the work performed at that point, nor shall any such early entry or access be deemed to in any way to have accelerated the Commencement Date for any purpose.

Initial/Date: [REDACTED]

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11. **TAX ADJUSTMENTS:** Referencing Paragraph 4.2 "Tax Adjustment" of the SFO, the percentage of Government occupancy of the Building for real estate tax purposes is agreed to be 85.27% (19,110 RSF / 22,410 RSF).
12. **OPERATING COSTS:** Referencing Paragraph 4.3 "Operating Costs" of the SFO, the base rate for the cost of services (hereinafter, the "Operating Costs Base") shall be \$124,023.90. (\$6.66 per BOASF). This operating cost base shall be subject to annual adjustment as provided for in Paragraph 4.3 of the SFO entitled "Operating Costs".
13. **VACANT PREMISES:** Referencing Paragraph 4.4 "Adjustment for Vacant Premises" of the SFO, provided that the Government's failure to occupy all or any portion of the Leased Premises does not result from an event of default or failure to perform on the part of Lessor which remains uncured beyond any cure period as may be provided in this Lease, if the Government fails to occupy all or any portion of the Leased Premises or vacates the Leased Premises in whole or in part prior to the expiration of this Lease, rent for such unoccupied portion of the Leased Premises shall be reduced for the entire vacancy period by \$3.50 per BOASF. Any rental paid by the Government after acceptance of the Leased Premises as described herein but prior to actual occupancy shall be less the cost for services and utilities.
14. **OVERTIME USAGE:** Referencing Paragraph 4.6 "Overtime Usage" of the SFO, the Government shall pay the Lessor for overtime usage of heating, ventilation and air conditioning ordered in full compliance with the requirements of said Paragraph 4.6, at the rate of \$0.00 per hour. The existing IT room (#37) is covered by a supplemental cooling unit that provides 24/7 cooling service. The cost of which is included in the rents stated in paragraph 5 of this lease.
15. **CHANGE ORDERS:** Unless explicitly authorized in advance and in writing by the Contracting Officer, any additional supplies or services, or any change to the specifications, terms or conditions of this Lease (hereinafter a "Change Order"), shall be deemed to be an unauthorized Change in Lease Terms or unauthorized Change Order. The Government shall not pay all or any portion of the cost, charge or expense associated with any such unauthorized Change in Lease Terms or unauthorized Change Order. The Government's occupant tenant is not authorized to administer this Lease and the General Services Administration assumes no responsibility for any costs incurred by the Lessor except as provided herein. All questions and issues pertaining to this Lease shall be referred to the Contracting Officer.
16. **REPRESENTATIONS AND WARRANTIES OF LESSOR** The Lessor hereby represents and warrants:
- A. That it has the right to enter into and perform its obligations under this Lease and that it has taken all necessary action and procured all necessary consents and grants of authority pursuant to entering into this Lease.
 - B. That no consent, approval or authorization of any person, including any governmental authority or other regulatory agency, is required in connection with the execution or performance of this Lease or the holding or use of the Leased Premises by the Government.
 - C. That (i) it has, or will have prior to the Commencement Date, all permits, certificates, licenses, orders, registrations, authorizations and other approvals (collectively, the "Permits") from all federal, state and local governmental or regulatory agencies, bodies, authorities or other public or private entities which it is required to hold or which are required to be issued to it, or which are necessary or desirable for lease of the Premises to the Government for its contemplated uses; (ii) that such Permits constitute all of the Permits which it is required to hold or have received under the laws, rules and regulations applicable to it or its business; (iii) that it is in full compliance with all terms, provisions and conditions thereof; and (iv) that all of such Permits are in full force and effect and none will lapse or be terminated, suspended or otherwise adversely affected upon or by reason of the execution and delivery of this Lease.
17. **SATELLITE DISH/ANTENNA:** The Government reserves the right to install additional satellite dishes or antennae at or on the Leased Premises at any time during the term of this Lease (as the same may be extended or renewed). All rights and privileges of the Government to install, use and access satellite dishes, antennas and/or related equipment are considered to be requirements of this Lease and shall be at no additional rent, charges, fees or costs to Government per Paragraph 8.14 of the SFO.

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18. NOTICES: All notices and other communication which is required or permitted by this Lease shall be in writing and delivered by personal service, sent by registered or certified first class US mail, postage prepaid, properly addressed, or by regular overnight delivery service such as Federal Express, if intended for the Lessor to the address first set forth above, or as follows:

Gary J. Hagan


and if intended for the Government, to the below-named Contracting Officer at the following address:
Steven Smith, Contracting Officer

General Services Administration - Public Buildings Service
New England Region
10 Causeway Street
Room 900
Boston MA 02222

or to such other address as shall be given in writing by any party to the other.

19. TENANT IMPROVEMENT ALLOWANCE: Referencing Paragraphs 3.2 and 3.3 of the SFO, Lessor has included in the rental rate a Tenant Improvement (TI) Allowance in the amount of \$465,550.00 calculated at \$25.00 per BOMA Office Area Square Foot, and amortized over five (5) years at the rate of six and one half (6.5%) percent. The Government may return to the Lessor any unused portion of the TI Allowance in exchange for a decrease in rent according to the amortization rate and the Lessor and the Government shall confirm said rental adjustment, if any, in writing by execution of a Supplemental Lease Agreement. Lessor and Government also agree that the TI Allowance shall be fully amortized at the end of the fifth year of the Lease Term. The Tenant Improvement Allowance will include the following fees: (1) General Conditions fee shall not exceed 0% of the Total Subcontractors Costs; (2) General Contractor's fee shall not exceed 0% of the Total Subcontractors Costs; (3) Architectural and Engineering fees shall be a flat fee of \$5,000.00; and (4) Lessor's Project Management Fees shall not exceed 10% of the Total Subcontractors Costs.
20. 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.

All foregoing information must be received by the fifteenth day of the month in which the transfer of title will be effected. The rent for that month, adjusted in accordance with the effective date of transfer, will be processed to the transferor, and the initial rental payment to the transferee, will be processed on the first day of the second month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of

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the month or later in which the transfer of title will be effected, the full contract rental for that month will be forwarded to the transferor. In this instance, it will be the responsibility of both the transferor and the transferee to submit in conjunction with other requested information, a letter of agreement regarding disposition of the monthly rent with respect to the effective date of transfer. In any instance, failure to submit documentation required for a transfer of title will result in a stop payment of rent until such time all documentation is received by the Contracting Officer.

21. RESTRICTION ON DISSEMINATION OF PLANS, DRAWINGS AND SPECIFICATIONS: Associated plans, drawings, or specifications provided under this Lease are intended for use by the Lessor, contractors, subcontractors and suppliers. In support of this requirement, GSA requires Lessor to exercise reasonable care when handling documents relating to building drawings/plans, security equipment, security equipment installations, and contract guard service, by the following means:
- A. Limiting reproduction and/or dissemination of covered materials only to persons/parties related to this acquisition or otherwise authorized to receive such information;
 - B. Making every possible reasonable and prudent effort to prevent unauthorized disclosure of this information;
 - C. Keeping accurate and detailed records as to the identity of persons having access to or receiving copies of plans, drawings or specifications;
 - D. Continuing the efforts required above throughout the entire term of this Lease and for what specific time thereafter as may be necessary; and
 - E. When need for documents has elapsed, destroying all copies.

22. ATTACHMENTS: The following documents are attached hereto and by this reference made a part hereof:

- A. SFO 8ME2013
- B. GSA Form 3517, General Clauses
- C. GSA Form 3518, Representations and Certifications
- D. Exhibit A – Floor Plan
- E. Exhibit B – FAR 52.246-12, 52.246-21 and GSAR 552.246.72
- F. Exhibit C – Agreement and Consent Document
- G. Amendment to the SFO #1 – Parking Requirement
- H. Amendment to the SFO #2 – Square Footage Change
- I. Amendment to the SFO #3 - Energy Star requirement

To the extent of any inconsistency between the terms of this lease (SF2 only) and any of the attachments, the terms of this lease shall govern. The lessor hereby waives restoration.

Initial/Date:  2/9/11

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

LESSOR Gary J. Hagan, individual

BY

Gary J. Hagan
Gary J. Hagan

Owner

(Title)

IN PRESENCE OF:

Karri Bennett Karri Bennett
(Signature) PRINTED NAME OF WITNESS:

[REDACTED]
(Address of Witness)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY

Steven Smith
Steven Smith

Contracting Officer

(Official title)

STANDARD FORM 2
FEBRUARY 1965 EDITION

COMPUTER GENERATED FORM (10/91)

EXCEPTION TO SF-2
APPROVED BY GSA / IRMS 12-89

Initial/Date:

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2/9/11

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[Signature]
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