

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: December 10, 2009

LEASE NO. GS-05B-17714

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

whose address is **Bayview Professional Center LLC**
121 River's Edge Drive, Suite 3300A
Traverse City, MI 49685-0348

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:

4,040 ANSI/BOMA office area square feet (4,040 rentable square feet) of contiguous office space, and four (4) onsite, reserved, secured parking spaces with the ability to add two (2) additional parking spaces at the Government's request, located at Bayview Professional Centre, 5th Floor, 10850 East Traverse Highway, Traverse City, MI 49684-3295 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 upon acceptance of the space by the Government for a period of fifteen (15) years, with a firm term of ten (10) years, subject to termination rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent for a firm term of ten (10) years of \$146,288.00 at the rate of \$12,190.67 per Month in arrears and consists of: shell rent (including all taxes, insurance, and parking costs).

The annual rent for years 11-15 will increase by \$4,040.40. Operating Expenses after Year One are subject to CPI escalations and Real Estate Taxes are subject to adjustments. Rent for a lessor period shall be prorated.

Rent checks shall be made payable to:

Bayview Professional Center, LLC
121 River's Edge Drive, Suite 3300A
Traverse City, MI 49685-0348

4. The Government may terminate this lease at any time after ten (10) years, by giving one hundred and twenty (120) 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 _____ 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~~

COMPUTER GENERATED FORM (10/91)EXCEPTION TO SF-2 APPROVED BY GSA / IRMS 12-89

INITIALS: LS LESSOR & MS GOVERNMENT

6. The Lessor shall furnish to the Government, as part of the rental consideration, all responsibilities and obligations as defined in this lease which includes the attachments specified in Paragraph 7 below including the following: All services, utilities and maintenance of the building and grounds. Also, as part of the rental consideration, the Lessor shall meet all responsibilities and obligations as defined in the Solicitation of Offers NO. GS-05B-17714 and other attachments to the Lease, including but not limited to meeting all handicapped Accessibility and Fire/Life Safety Requirements.
7. The following are attached and made a part hereof:

(A) Paragraphs 10 through 30 of this lease on pages 3 thru 5; (B) Solicitation of Offers NO. GS-05B-17714 dated 04/21/08, pages 1 through 44; (C) [REDACTED], Traverse City Resident Agency Requirements and Specifications consisting of 39 pages; (D) Exhibit A to SFO No. GS-05B-17714; (E) GSA-Approved Asbestos Management Plan; (F) GSA Form 3517B (REV. 11/05) consisting of 33 pages; (G) GSA Form 3518 (REV. 1/07) consisting of 7 pages; (H) and 5th Floor Plan, including the leased space, consisting of one (1) page.
8. The following changes were made in this lease prior to its execution:
PARAGRAPH 5 ABOVE WAS DELETED.
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 Best and Final Offer dated October 28, 2009, submitted by the Lessor under SFO GS-05B-17714. This lease reflects the terms and conditions of the accepted Best and Final Offer.

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

LESSOR Bayview Professional Center, LLC.

BY [REDACTED] _____
(Signature)

IN PRESENCE OF:
[REDACTED] _____ (Signature)
[REDACTED] _____ (Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY [REDACTED] 12/10/09 _____
Contracting Officer
(Official title)

10. The date of this lease, December 10, 2009, is the date this contract was formed as a result of the Government's acceptance of the Lessor's Best And Final Offer dated October 28, 2009, submitted by the Lessor under Solicitation For Offers No. GS-05B-17714 and all attachments. This Lease reflects the terms and conditions of the accepted Best And Final Offer.
11. The actual effective date, per Paragraph 2 of the SF-2, 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 net usable square foot area referred to in Paragraph 1, is subject to adjustment, but may not be less than the minimum 3,504 ANSIBOMA Office Area square feet defined in the Solicitation for Offers No. GS-05B-17714. Should there be any adjustments in the usable square footage delivered, that has been determined through mutually agreed field measurement, the per annum total rental referred to above shall be adjusted on the basis of \$36.21 per usable square foot per annum. The lease shall be amended by Supplemental Lease Agreement after actual field measurement to establish the square footage and rental in compliance with the terms of the lease.
13. The rent is subject to annual operating cost adjustments in accordance with Section 3.7 of Solicitation for Offers No. GS-05B-17714 within this lease. It is understood and agreed that for operating cost adjustment purposes, the first year's operating costs will be \$30,509.00 per annum or \$7.55 per usable square foot for 4,040 square feet of usable office space (subject to actual measured accepted space).
14. The lease is subject to annual tax escalations in accordance with Section 3.5 (A through G) of the SFO No. GS-05B-17714. It is understood and agreed that for real estate tax adjustment purposes, in accordance with Section 3.5, (A through G) of Solicitation for Offers NO. GS-05B-17714 within this lease, the Government will occupy 6.6 percent of the net rentable square foot area of the building.
15. The Lease Common Area Factor is established as 1.00 (4,040 RSF / 4,040 USF).
16. If the Government fails to occupy any portion of the leased premises or vacates the premises in whole or in part prior to expiration of the term of the lease, the rental rate, based on operating cost adjustments will be reduced by \$1.00 per ABOA square foot.
17. Pursuant to Paragraph 7.3 of the SFO, "Overtime Usage," only upon request by the GSA Field Office Manager, the Lessor shall provide heating or cooling at any time beyond normal service hours of 7:00 AM – 6:00 PM Monday thru Friday and except Saturdays, Sundays, and Federal Holidays at a rate of \$12.50 per hour per usable square foot.
18. Lessor shall provide janitorial services during normal daytime working hours, Monday thru Friday, except Saturdays, Sundays, and Federal Holidays.
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 SFO No. GS-05B-17714, the Lessor agrees to provide up to \$154,247.20 toward the cost of the Tenant Improvements. The tenant build out cost of \$154,247.20 (based on \$38.18 per ANSIBOMA Office Area square foot) is amortized for a period of ten (10) years at 2.79%. Therefore, the amortized tenant build out costs are \$17,694.24 per annum or \$4.38 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 2.79% amortization rate. The refund will be a credit of the rent equally spread out throughout the firm lease term (10 years). In the event that the Tenant Improvement Cost is greater than the amount provided above, Lessor agrees to amortize the additional cost at 2.79% 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. Lessor shall not construct, change, alter, remove, or add to the leased area without prior notification and approval from the General Services Administration (the Contracting Officer or his/her representative) as well as

INITIALS:

LESSOR

GOVERNMENT

LaSalle for this lease are negotiated at [REDACTED] of the aggregate lease value over the total firm term of the lease for a total dollar value of [REDACTED]. It is the agreement between the government, landlord, and Jones Lang LaSalle that [REDACTED] of the total commissions (equaling [REDACTED]) negotiated for this lease will be applied to the shell rent and was evaluated in the Present Value Analysis prior to the award of the lease. Lessor will pay the remaining commission amount, or [REDACTED] to Jones Lang LaSalle. Payment of commission to Jones Lang LaSalle shall occur fifty percent (50%) at lease award and fifty percent (50%) at occupancy of Government tenant. Per the Jones Lang LaSalle commission agreement, commission shall be adjusted based upon the mutually agreed field measurement of square footage upon occupancy. After occupancy, no additional commissions are to be paid to Jones Lang LaSalle for this leasing transaction other than that identified in the SF-2 and attachments or as formally documented in a Supplemental Lease Agreement. Schedule for the government's commission credit, via rental reduction is as follows:

Rent Period	Scheduled Total Monthly Rent	Scheduled Monthly Shell Rent	Commission Credit To be applied	Commission Credit Remaining	Adjusted Monthly Rent Payment
Month 1	\$12,190.6667	\$8,173.73	[REDACTED]	[REDACTED]	\$4,019.6253
Month 2	\$12,190.6667	\$8,173.73	[REDACTED]	[REDACTED]	\$4,019.6253
Month 3	\$12,190.6667	\$8,173.73	[REDACTED]	[REDACTED]	\$10,393.0375
Months 4-60	\$12,190.6667	\$8,173.73	\$0.00	\$0.00	\$12,190.6667

INITIALS: [Signature] & [Signature]
 LESSOR GOVERNMENT