

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

September 15, 2010

LEASE NO.

GS-03B-09486

BLDG. NO.

PA0880

THIS LEASE, made and entered into this date by and between CURTIS INVESTMENTS LLC

whose address is 5010 OLD GREENWOOD ST  
FORT SMITH, AR 72903-6941

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:

12,404 Rentable Square Feet yielding approximately 11,620 ANSI/BOMA Office Area square feet and related space located on a 62.127 SF (1.426 acres) site at 1001 Elmerton Avenue, Harrisburg, PA 17110 together with thirty (30) secure surface parking spaces for Government fleet vehicles plus an additional fifteen (15) surface parking spaces to accommodate employees and visitors, as depicted on attached site and elevation plans (Exhibit A, paragraph 7.E).

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 (see Lease Rider Paragraph 11) through (see Lease Rider Paragraph 11), subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of (see Lease Rider Paragraph 11) at the rate of (see Lease Rider Paragraph 11) per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

CURTIS INVESTMENTS LLC  
5010 OLD GREENWOOD ST  
FORT SMITH, AR 72903-6941

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10<sup>th</sup>) full year of occupancy by giving at least ninety (90) 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 paragraph has been deleted and is reserved for future use.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

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

B. Build-out in accordance with standards set forth in SFO No. 7PA2166 dated August 14, 2009 and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified in Lease Rider Paragraph 11.

C. In accordance with Paragraph 2.6 of the Lease, "Broker Commission and Commission Credit", the Lessor and Jones Lang LaSalle (the Broker) have agreed to a cooperating lease commission of [REDACTED] based on Aggregate Lease Value over the firm term. The total amount of this commission is [REDACTED] (Gross Commission). For the benefit of the Government, and in accordance with terms of the GSA National Broker Contract, 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]. The Lessor agrees to pay the Commission less the Commission Credit, i.e., [REDACTED] (Net Commission), to the Broker in two (2) installments, fifty percent (50%) upon receipt of invoice following lease execution, and the remaining fifty percent (50%) upon receipt of invoice following beneficial occupancy. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. To fully capture the Commission Credit, offset against shell rate component in the first three (3) months' rental payments will occur as follows:

First (1<sup>st</sup>) Month's Rental Payment of \$33,428.78 (which includes \$22,178.61 Shell) minus [REDACTED] Commission Credit (1/3) equals [REDACTED].

Second (2<sup>nd</sup>) Month's Rental Payment of \$33,428.78 (which includes \$22,178.61 Shell) minus [REDACTED] Commission Credit (1/3) equals [REDACTED].

Third (3<sup>rd</sup>) Month's Rental Payment of \$33,428.78 (which includes \$22,178.61 Shell) minus [REDACTED] Commission Credit (1/3) equals [REDACTED].

After three (3) months, the full Commission Credit is captured and regular monthly payments of \$33,428.78 will ensue.

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

- A. Rider to Lease No. GS-03B-09486 (4 pages)
- B. Solicitation for Offers # 7PA2166, Special Requirements, and Amendment Nos. 1 and 2 (143 pages)
- C. GSA Form 3517, "General Clauses" version dated 06/08 (33 pages)
- D. GSA Form 3518, "Representations and Certifications" version dated 01/07 with CCR Registration (10 pages)
- E. Site Plan, Test-Fit, Elevations Plan, Amenities Map Exhibit A (7 pages + cover)

This lease contains 199 pages

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

LESSOR  
CURTI

BY

(Signature)

*Chris Curtis, President*

(Printed Name and Title)

2411 SAMUBROCK, Su. 6100, Dallas, TX 75206

(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY

Contracting Officer  
(Official title)

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8. In no event shall the Lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.
9. The total percentage of space occupied by the Government under the terms of the lease is equal to 100% of the total space available in the Lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 12,404 Rentable Square Feet by the total building space of 12,404 Rentable Square Feet.
10. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$6.80 per ANSI/BOMA Office Area (ABOA) square foot is acceptable. This figure includes the Government's pro-rata share of operating costs.
11. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within one hundred eighty (180) working days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected. Upon the date of completion of such alterations, improvements, repairs and inspection, and acceptance by the Government, the term of this lease shall commence and shall continue for fifteen (15) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 of the General Clauses, GSA Form 3517, "Payment" at the rate of:

**Years 1 through 5:**

**Total Annual Rent:** \$401,145.36 per year

**Shell Rent:** \$266,143.32 per year or \$22.90 per ANSI/BOMA Office Area Square Foot (ABOA)

**Amortized annual cost for Tenant Improvement Allowance\*:** \$55,986.04 per year

**Interest rate at which Tenant Alterations are amortized:** seven percent (7%)

**Amortized annual cost for Building-Specific Security:** N/A

**Annual Cost of Services:** \$79,016.00 per year or \$6.80 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

**Years 6 through 10:**

**Total Annual Rent:** \$407,393.88 per year

**Shell Rent:** \$272,391.84 per year or \$23.44 per ANSI/BOMA Office Area Square Foot (ABOA)

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**Amortized annual cost for Tenant Improvement Allowance\*:** \$55,986.04 per year

**Interest rate at which Tenant Alterations are amortized:** seven percent (7%)

**Amortized annual cost for Building-Specific Security:** N/A

**Annual Cost of Services:** \$79,016.00 per year or \$6.80 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

**Years 11 through 15:**

**Total Annual Rent:** \$410,494.88 per year

**Shell Rent:** \$275,492.84 per year or \$23.71 per ANSI/BOMA Office Area Square Foot (ABOA)

**Amortized annual cost for Tenant Improvement Allowance\*:** \$55,986.04 per year

**Interest rate at which Tenant Alterations are amortized:** seven percent (7%)

**Amortized annual cost for Building-Specific Security:** N/A

**Annual Cost of Services:** \$79,016.00 per year or \$6.80 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

\*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$519,065.40 or \$44.67 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 7% amortization rate over the full lease duration term of fifteen (15) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 7% amortization rate.

Should the Government exercise its right to terminate the Lease of the entire leased premises at the end of the ten (10) year firm term, then it shall not be obligated to pay to Lessor the unamortized portion of the outstanding TIA as of the effective date of such termination. If the Government elects to terminate the Lease as to only a portion of the leased premises at the end of the ten (10) year firm term, then the unamortized portion of the outstanding TIA as of the effective date of such termination shall be reduced on a pro rata basis based on the amount of space retained by the Government.

If the Government spends more than the allowance identified above, the Government reserves the right to: 1) reduce the Tenant Improvement requirements; 2) pay lump sum for the overage upon completion and acceptance of the improvements; or, 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

12. In accordance with SFO Paragraph 3.4, "GSA Forms and Pricing Information" and SFO Paragraph 5.3, "Tenant Improvements Pricing Requirements" of the Lease, the Lessor's Tenant Improvement Fees are established as follows:

A. General Conditions charged by the Lessor's General Contractor for Tenant Improvements requested by the Government is seven percent (7%) of Total Subcontractors' costs.

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- B. General Contractor's fee charged by the Lessor for Tenant Improvements requested by the Government is six percent (6%) of Total Subcontractors' costs.
  - C. Architectural/Engineering fees charged by the Lessor for Tenant Improvements are six percent (6%) of Total Subcontractors' costs.
  - D. Project Management fees charged by the Lessor for Tenant Improvements requested by the Government is four percent (4%) of Total Tenant Improvement Construction Costs.
13. In accordance with SFO Paragraph 3.4.A.9, and based on recommendations in the Phase I Environmental Site Assessment (ESA) for 1001 Elmerton Avenue dated November 24, 2009, Lessor will implement the following plan of action to address potential environmental issues, namely:
- A. Deed Restrictions and Site Development – Upon transfer of the subject property, Lessor shall file a Pennsylvania Department of Environmental Protection (PADEP) approved Environmental Covenant with the Dauphin County Recorder of Deeds that:
    - 1. Limits the Site to non-residential uses,
    - 2. Prohibits the use of ground water on the Site,
    - 3. References the land development considerations (i.e., minimizing land disturbance, management of storm water runoff, and methane gas venting) provided in the 2003 Remedial Investigation/Final Report (RI/FR). [In 2005, PADEP issued a Release of Liability for the ground water impacts contingent upon: [a] filing a deed restriction limiting the Site for non-residential use and prohibiting the use of ground water for drinking or agricultural purposes; and, [b] development of planned Site as referenced in the 2003 RI/FR to minimize Site disturbance, appropriately manage surface water runoff to reduce infiltration, and vent methane gas.]
  - B. Leachate Collection and Management – Current and future site development plans shall investigate to determine whether the collection and management of leachate from waste materials disposed on the Site is warranted to reduce leachate migration from the Site. If environmental or geotechnical investigations or activity during site development determine such actions are warranted, a leachate collection system that limits leachate migration shall be installed. The Lessor's construction management plan shall provide for monitoring of the situation during development, geotechnical studies, and construction.
  - C. Geotechnical Assessment – Lessor shall minimize land disturbance in order to minimize disturbance of subsurface waste materials on the Site. Site development plans shall include a geotechnical assessment to ensure the building foundation and pavement designs consider the presence of the unconsolidated waste material on the Site. Periodic soil bearing tests shall be performed and analyzed during construction as a precaution and implementation of appropriate remediation techniques shall occur if deemed necessary.
  - D. Methane Gas Venting – Lessor shall install an appropriate methane venting system to prevent gas accumulation under and within the proposed buildings and parking lots. A methane monitoring system shall be installed and utilized within the proposed building.
  - E. Construction Management Plan – Lessor shall develop and implement a construction management plan in accordance with the 2003 RI/FR and the 2009 Phase I ESA that ensures minimal site disturbance and proper handling and disposal/removal of any waste material on the Site.
  - F. Monitoring Wells – Lessor shall ensure the existing monitoring wells on the Site will be properly closed in accordance with all applicable regulations.

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14. In accordance with SFO Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$10.00 per hour.
15. In accordance with SFO Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$1.75 per ANSI/BOMA Office Area square foot.
16. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so desired. In the event such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right of restoration waived.
17. Definitions:
  - A. Where the word "Offeror" appears it shall be considered "Lessor"
  - B. Where the word "should" appears it shall be considered to be "shall"
  - C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"

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