

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

1/12/09

LEASE NO. GS-03B-09311

THIS LEASE, made and entered into this date by and between Acquest Development Company

whose address is 80 Curtwright Drive
Suite #5
Williamsville, NY 14221

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:

A total of 30,000 rentable square feet (RSF) of office and related space, which yields 28,900 ANSI/BOMA Office Area square feet (USF) of space in a building to be constructed in the Fairview Business Park on approximately 10 acres at 30 Traut Road, Erie, PA 16415 to be used for such purposes as determined by the General Services Administration.

Included in the rent at no additional cost to the government are 74 surface parking spaces.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on TO BE ESTABLISHED THROUGH SUPPLEMENTAL LEASE AGREEMENT through TO BE ESTABLISHED THROUGH SUPPLEMENTAL LEASE AGREEMENT, 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 12 at the rate of SEE LEASE RIDER PARAGRAPH 12, Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Acquest Development Company
80 Curtwright Drive, Suite #5
Williamsville, NY 14221

4. The Government may terminate this lease at any time after the fifteenth year by giving at least 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. 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. Post-award design development and build out of the entire facility, in accordance with the SFO, prototype design, [REDACTED] dated 12/18/07, and in coordination with the Government. All tenant alterations to be completed by March 1, 2010. The Facility shall be a direct extension of the prototype design, [REDACTED] dated 12/18/07, and the technical submission furnished by the Lessor's proposal documentation which is incorporated by reference into and made a part of this lease agreement. In the event there is a contradiction between the Government's requirements (as stated in the SFO, prototype design, specifications group) and the Lessor's proposal, the more technically superior shall prevail.

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

1. Lease Rider paragraphs 8-18
2. SFO 7PA2175
3. SFO Amendments 1 & 2
4. Acquest Development "BAFO Volume I" dated 10/24/08

Pre-Lease Fire Protection and Life Safety Evaluation Form
Pre-Lease Security Plan
Security Price List
Unique Space Price List
GSA Form 3518 - Representatives and Certifications
GSA Form 3517 - General Clauses
Location and Tax Map
Aerial Photograph
Conditional Commitment Letter
Silvestri Architects P.C. Pennsylvania License
Zoning Compliance
Evidence of Control of Site
Construction Waste Management Statement
Phase I Environmental Site Assessment
Wetlands impact Statement and Delineation
Seismic Compliance Certification

5. Acquest Development "BAFO Volume II" dated 10/24/08

Building Rendering
Site Plan (Drawing SP-101 dated 6/20/08)
Station Floor Plan (Drawing A101 dated 6/20/08)
Station Elevations (Drawing A301, A302, A301a, A302a dated 6/20/08)
Garage Floor Plan (Drawing A101a dated 6/20/08)
Building Design Narrative
Property Management Plan
Construction Management Plan

7. The following changes were made in this lease prior to its execution: None.

This lease contains 206 pages.

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

LESSOR: Acquest Development Company

BY

(Signature)

Michael Hunter

(Signature)

IN PRESENCE OF:

(Signature)

(Address)

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION

BY

(Signature)

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.

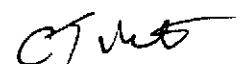
9. The total percentage of space occupied by the Government under the terms of the lease is equal to 100% percent of the total space available in the Lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 30,000 rentable square feet by the total building space of 30,000 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 quoted on the "Lessor's Annual Cost Statement", (GSA Form 1217) dated, October 24, 2008 which is \$5.02 per ANSI/BOMA Office Area square foot is acceptable. This figure includes the Government's pro-rata share of operating costs. The Government retains the right to inspect and review the Lessor's records to verify the costs listed on the GSA Form 1217 and/or to require a certified audit report. The basis for annual operating costs escalations will be the revised U.S. All Cities Average Consumer Price Index for Wage Earners and Clerical Workers.

11. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the Lessor shall notify the Contracting Officer, in writing, at least 30 days and no more than 60 days prior to the time the option must be exercised. In the event the Lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

12. 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 March 1, 2010. 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, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for 20 consecutive calendar years (with the Government maintaining cancellation rights after the 15th year). The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.



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Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 3.8 of the lease, "ANSI/BOMA Office Area Square Feet" and Paragraph 26 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 20:

***Shell Rent:** \$585,000.00 annually at a rate of \$19.50 per Rentable Square Foot (RSF),

***Annual Cost of Services:** \$144,900.00 annually at a rate of \$4.83 per RSF,

***Annual cost for Tenant Improvements:** \$89,091.11 annually at a rate of \$2.969704 per RSF.

***The first six months of the lease shall be free of any and all rent (including shell, operating and tenant improvement costs).**

In addition to annual rental listed above, the Government will pay a one time lump-sum payment for tenant improvement costs in the following amounts:

- \$927,017.92 (TI buy down)
- \$775,000.00 (Unique Space Price List)
- \$450,000.00 (Security Price list)

Total: \$2,152,017.92

See lease rider paragraph 13 for invoicing instructions.

The Government, at its election, may increase or decrease the amount of the lump sum payment for Tenant Improvements. If this occurs, the tenant improvement rent shall be reduced or increased proportionately using the 6.5% amortization rate. Additional TI costs amortized (due to change orders) totaling more than \$1,900,000.00 will be amortized over the firm term (15 years).

13. Upon completion and acceptance by the Government of the above referenced lump sum work, the Lessor shall submit an invoice. Payment will be made upon receipt of a properly furnished invoice. The invoice shall be on Acquest Development Company letterhead and reference the date, invoice number, lease number, explanation of services rendered, total amount (\$2,152,017.92) and PDN number PS0013836. The original invoice should be mailed to: General Services Administration, Greater Southwest Region (7BC), P.O. Box 17181, Fort Worth, TX 76102-0181. A copy of the

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invoice shall be mailed to the Contracting Officer at: General Services Administration, Attn: Christian Townsend, 20 North 8th Street, Philadelphia, PA 19107.

14. The Government may terminate this lease at any time after the fifteenth (15th) full year of occupancy upon 90 days written notice to the Lessor. No rental shall accrue after the effective date of termination (this includes any Tenant Improvement costs amortized in the rent in years 16-20). Said notice shall be computed commencing with the day after the date of mailing.

15. Common Area Factor:

The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet to determine the rentable square feet is 1.0380622%.

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"

18. Adjustment for Vacant Premises:

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 (i.e., the base for operating cost adjustments) will be reduced by \$3.00 per ANSI/BOMA Office Area square foot. Said reduction shall occur after the Government gives 30 calendar days' prior notice to the Lessor and shall continue in effect until the Government occupies the vacant premises or the lease expires or is terminated.

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