

US GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

2/11/11

LEASE NO. GS-04B- 61032

THIS LEASE, made and entered into this date by and between **MS2, LLC**

Whose address
is

c/o Island Realty, Inc, 621 Ocean Boulevard
Saint Simons Island, GA 31522

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 considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 7,662 rentable square feet (RSF), consisting of 6,651 ANSI/BOMA Office Area Square Feet (ABOASF) of office and related space on the entire second floor of a three story building located at the Barnett Building, Suite 202, 700 Gloucester Street, Brunswick, Glynn County, 31520-7078, plus seventeen (17) on-site reserved parking spaces with seven (7) spaces being fenced

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

December 1, 2011

through

November 30, 2021

subject to

termination and renewal rights as may be hereafter set forth.

3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RATE per RSF¹</u>	<u>RATE per ABOASF²</u>	<u>MONTHLY RATE</u>
12/01/2011 – 11/30/2021	\$234,150.72	\$30.56	\$35.21	\$19,512.56

Note 1. The rate per rentable square foot (RSF) is determined by dividing the total annual rental by the rentable square footage set forth in Paragraph 1 above.

Note 2. The rate per ABOASF is determined by dividing the total annual rental by the ABOASF set forth in Paragraph 1.

4. The Government may terminate this lease, in whole, at any time on or after – N/A – This is a firm term lease with no termination rights.

5. The Government has no options to renew this lease.

[Handwritten signature]
RDM by
AMM
admin

6. Rental is subject to the Government's measurement of plans submitted by the Lessor or a mutual on-site measurement of the space and will be based on the rate per ABOASF as noted in Paragraph 3 above, in accordance with Clause 27 (PAYMENT), GSA Form 3517B, General Clauses. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum ABOASF requested in SFO Paragraph 1.1 (Amount and Type of Space). Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

MS2, LLC

c/o Island Realty, Inc, 621 Ocean Boulevard

Saint Simons Island, GA 31522

7. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers (SFO) No. 0GA2031.
 - B. Buildout in accordance with SFO No. 0GA2031. Design Intent Drawings (DIDs) shall be prepared by the Lessor and due to the Government within sixty (60) calendar days subsequent to lease award. All tenant alterations are to be completed within one-hundred twenty (120) calendar days of receiving notice to proceed from the Government with agency approved working/construction drawings. Lease term to be effective and rental to begin on date of occupancy, if different from Paragraph 2.
 - C. Deviations to the approved DIDs furnished by the Lessor to the Government and reviewed/approved by the Government subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
 - D. Lessor shall provide seventeen (17) reserved, on-site parking spaces (seven of these spaces will be fenced). The cost of parking to the Government is zero per space, per annum.
8. The following are attached and made a part hereof:
- A. Solicitation for Offers No. 0GA2031 dated July 16, 2010
 - B. GSA Form 3517 entitled General Clauses (Rev. 11/05).
 - C. GSA Form 3518 entitled Representations and Certifications (Rev. 1/07).
 - D. Floor Plan entitled GSA SFO 0GA2031.

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

LESSOR: **MS2, LLC**

BY _____

(Authorized Signature) Ben Slade

IN THE PRESENCE OF _____

(Signature)

(Signature)

(Address)

UNITED STATES OF AMERICA

BY _____

(Signature)


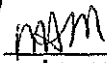

PAMELA MURPHY, CONTRACTING OFFICER
GENERAL SERVICES ADMINISTRATION

(Official title)

9. The premises described in Paragraph 1 of this Standard Form 2 shall contain 6,651 ABOASF of office and related space, as identified in SFO No. 0GA2031.
10. The rental rate in Paragraph 3 of this Standard Form 2 for the period 12/1/11 through 11/30/21 includes all Tenant Improvements (TI). In accordance with Paragraph 3.2.A (Tenant Improvements Included In Offer) of SFO No. 0GA2031, the TI allowance provided in the lease is \$35.771400 per ANSI/BOMA Office Area square foot for 6,651 ABOA sq.ft. or \$237,915.58 amortized at an interest rate of 6.25% over ten (10) years yielding an annual cost of \$32,058.42 rounded to \$32,027.16 at a rate of \$4.18 per RSF (\$4.82 per ABOASF). The TI allowance will be used to construct the interior space in accordance with the approved DIDs provided by the Lessor. If the TI cost exceeds \$35.771400 per ABOASF (for up to 6,651 ABOASF), the balance due the Lessor will be paid by rental adjustment or lump sum, to be determined by the Government. If the entire TI allowance of \$35.771400 per ABOASF is not used, the Government will adjust the rental rate downward to off-set the difference. The Lessor understands, in lieu of Cost and Pricing Data, his contractor or each of his sub-contractors shall solicit three (3) bids for work completed as a part of the initial tenant alterations, e.g., for electrical, plumbing, etc. The lowest responsive bid will be accepted. This does not apply to the shell build-out.
11. In accordance with Paragraph 1.12 (Building Shell Requirements) of SFO No. 0GA2031, the annual shell cost is established as \$163,123.98 yielding \$21.29 per RSF (\$24.526 rounded to \$24.53 per ABOASF) which is inclusive of the rental rate in Paragraph 3 for the period 09/01/2011 through 08/31/2021.
12. In accordance with Paragraph 4.2 (Tax Adjustment) of SFO No. 0GA2031, the percentage of Government occupancy is established as 34.4856 % rounded to 34.5% (based on total building area of 22,218 RSF and the Government's occupancy of approximately 7,662 RSF). Percentage of occupancy is subject to revision based on actual measurement of Government occupied space at time of final inspection, not to exceed the maximum ABOASF stated in the SFO, and in accordance with GSA Form 3517B, GENERAL CLAUSES.
13. In accordance with Paragraphs 4.3 (Operating Costs) of SFO No. GA2031, the annual operating cost is established as \$38,999.58 yielding an escalation base of \$5.09 per RSF \$5.86 (rounded) per ABOASF) which is included in the rental rate in Paragraph 3 for the period 09/01/2011 through 08/31/2021
14. In accordance with Paragraph 4.1.C (Common Area Factor) of SFO No. 0GA2031, the common area factor (CAF) is established as 15.2% rounded to 15% based on 7,662 RSF and 6,651 ABOASF.

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15. In accordance with Paragraph 4.4 (Adjustment for Vacant Premises) of SFO No. 0GA2031, the rental rate reduction is established as \$1.50 per ABOASF.
16. In accordance with Paragraph 5.15 (Restoration Waiver) of SFO No. 0GA2031, the Lessor hereby waives all restoration rights.
17. In accordance with Paragraph 4.6 (Overtime Usage) of SFO No. 0GA2031, the hourly overtime usage for the entire space is established as \$10.00 per hour and ZERO for any 24/7 rooms, e.g., ADP rooms within the space. The standard hours of operation are established as 7:00 am – 6:00 pm M-F excluding Federal Holidays.
18. In accordance with Paragraph 9.7 (Radon in Air) of SFO No. 0GA2031, the Lessor shall complete the short test before occupancy and the standard test not later than 90 days after occupancy, with results forwarded to the Contracting Officer. Any corrective action must be completed within 30 days after tests are completed at no additional cost to the Government. Re-testing is required with results forwarded to the Contracting Officer.
19. Any deviation from approved construction plans or tenant alterations require approval by the Contracting Officer or Contracting Officer's Designee. Should Lessor make changes without approval, the Government will not be responsible for the cost of those changes and Lessor will not be reimbursed.
20. All fire and life-safety deficiencies must be corrected prior to occupancy and at no extra cost to the Government, including but not limited to the following as required by SFO No. 0GA2031:
- A. Provision of emergency illumination in corridors, stairways, and office space.
 - B. Provision of exit lights in corridors.
 - C. Provision of two (2) exits on each floor occupied by the Government.
 - D. Provision of a fire extinguisher near every exit.
21. All handicapped accessibility deficiencies must be corrected prior to occupancy and at no extra cost to the Government, including but not limited to the following as required by SFO No. 0GA2031:
- A. Door Entrances.
 - B. Exit Doors.
 - C. Parking Areas/Curb Cuts.
 - D. Restrooms.
 - E. Width of Exit Doors.
22. Within five (5) days of lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and

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phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be rectified immediately.

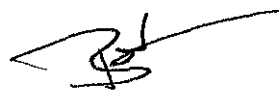
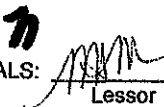
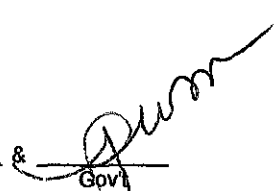
23. In accordance with SFO No. 0GA2031, Paragraph 2.5, the Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. 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]. The Lessor agrees to pay the Commission less the Commission Credit 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. The [REDACTED] balance which equates to [REDACTED] is to be paid to the broker as follows: One-hundred percent (100%) is due and payable within 30 days after lease award. 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 of \$19,512.56 minus the prorated Commission Credit of [REDACTED] equals the adjusted First Month's Rent of [REDACTED].

Second Month's Rental Payment of \$19,512.56 minus the prorated Commission Credit of [REDACTED] equals the adjusted Second Month's Rent of [REDACTED].

Third Month's Rental Payment of \$19,512.56 minus the prorated Commission Credit of [REDACTED] equals the adjusted Third Month's Rent of [REDACTED].

- 24 The elevator located within the tenant agency's space is available for use during working hours only with 15 minutes notice to the tenant whose space the agency and detainee will exit/enter. The elevator is to be used only for the entrance or exit of detainees from the building. Standard care and maintenance of this elevator is required the same as the rest of the space per the lease.


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