

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

1 NOV 2010

LEASE NO.

LVT04687

THIS LEASE, made and entered into this date by and between MALONE YANKEE PARK PROPERTIES, LLC

whose address is

122 Gallison Hill Road
Montpelier, VT 05602-8822

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 9,333 Rentable Square Feet (RSF) (9,293 ANSI/BOMA Square Feet (USF)), with a Common Area Factor of one point zero zero four three percent (1.0043%) of office and general purpose space in a building whose address is 57 Yankee Park Road, Fairfax, VT, (hereinafter the "Building") and by this reference made a part hereof, together with a minimum of twenty-two (22) reserved surface parking spaces (11 secured parking spaces and 11 unsecured parking spaces), located on the site, all parking, 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.

2. TERM: TO HAVE AND TO HOLD the said Premises with their appurtenances for a term of fifteen (15) years commencing upon delivery of the space and the Government's acceptance for beneficial occupancy, subject to termination and renewal rights as may be hereinafter set forth. Actual date of beneficial occupancy shall be established by Supplemental Lease Agreement

3. TERMINATION RIGHT: THE GOVERNMENT MAY TERMINATE this Lease in whole or in part at any time on or after ten (10) years by giving at least one hundred twenty (120) days' prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said one hundred twenty (120) day period shall be computed commencing with the day after the date of mailing of the notice by the Government

4. THE GOVERNMENT SHALL PAY to the Lessor, commencing on the Commencement Date, rent as follows:
For years 1-5, the annual rent shall be \$228,009.156525, payable at the rate of \$19,000.76304 per month in arrears, and
For years 6-10, the annual rent shall be \$244,341.906525, payable at the rate of \$20,361.82554 per month in arrears,
And for years 11-15, the annual rent shall be \$225,111.96, payable at the rate of \$18,759.33 per month in arrears,

via Electronic Funds Transfer to:

Malone Properties, INC.
122 Gallison Hill Road
Montpelier, VT 05602-8822

Rent for a lesser period shall be prorated on a per diem basis.

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

LESSOR

SIGNATURE

NAME OF SIGNER

Patrick Malone

ADDRESS

122 Gallison Hill Rd. Montpelier, Vermont 05602

IN WITNESS WHEREOF,

NAME OF SIGNER

Lynn Brochu

UNITED STATES OF AMERICA

NAME OF SIGNER

Thomas J. McLaughlin



OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

**U.S. Government Lease
No. LVT04687**

5. THE LESSOR SHALL FURNISH TO THE GOVERNMENT, for the stated rental consideration specified in Paragraph 4 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, buildout (except for lump sum reimbursable items), and maintenance, repair and replacement, all as specified in or contemplated by Solicitation for Offers 9VT2001, dated June 15, 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 Approved Government Layout Drawings, Finish and Door Schedules, as further described herein, and attached hereto and made a part hereof.
 - (d) All provisions and specifications of the Lessor's Best and Final proposal dated August 4, 2010, submitted in response to the SFO and the Government's request for 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; and
 - (f) All rights, reservations of rights, privileges and the like specified in, described by, or contemplated by this Lease.
6. 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 and Finish and Door Schedules, as referenced in Paragraph 5 above and all documents referenced in such SFO and in 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 Leased 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 tantamount 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 within sixty (60) working days from the issuance of the Government's Notice to Proceed.
 - (iii) Except with regard to such "Punch List" items as may be identified in the Acceptance Notice as defined in Paragraph 6(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 552.246-71 (hereinafter, the "Regulations"), attached hereto and by this reference made a part hereof, and all drawings, plans, and specifications referenced in SFO Paragraph 3.16 and that the Leased Premises otherwise fully comply with the requirements of this Lease.
 - (iv) As required under the Regulations, not less than seven (7) 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 seven (7) 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").

INITIALS:

 LESSOR &  GOV'T

(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 6, 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.

(vii) Government acceptance of the Leased Premises pursuant to the Compliance Inspection is an acknowledgement 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 ongoing 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") and a Punch List of all exterior items that remain to be completed (the "Exterior Punch List Items"). Both parties understand that completion of some exterior items such as landscaping, final paving, and other exterior improvements may not be possible until weather permits, which may be as late as 60 to 90 days after the date the Government deems the Leased Premises ready for occupancy. 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. In the event that the Lessor has not completed the Exterior Punch List items within 90 days from the date the Government deems the Leased Premises ready for occupancy (or such shorter time as the Government determines in its reasonable judgment that weather conditions allow), the Government shall have the right to withhold from payments of rent due a sum equal to one and one-half times the estimated cost to complete the Exterior 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. Upon completion of the Exterior Punch List items, any sums retained by the Government for completion of the Exterior Punch List items shall be promptly paid to the Lessor. If either Exterior or 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.

7. 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.

8. TENANT IMPROVEMENT ALLOWANCE: The rent rate in Paragraph 4 above for years 1 through 10 includes all Tenant Improvements. The Tenant Improvement allowance (T/I) provided in the lease is \$31,2123 ABOASF, or a total of \$290,055.9039 amortized at an interest rate of 6.00% over ten (10) years. The T/I will be used to construct the interior space in accordance with the approved Design Intent Drawings provided by the Government.

INITIALS: pm & JM
LESSOR GOV'T

10. **TAX ADJUSTMENTS:** Referencing Paragraphs 4.2, "Tax Adjustment", of the SFO, the percentage of Government occupancy of the Building for real estate tax purposes is agreed to be 74%. The Government's share of Real Estate Taxes for the base year is \$9,518.62.

11. **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 \$61,971.12 (\$6.64 per RSF). The Base Operating Cost shall be subject to annual adjustment as provided in Paragraph 4.3 of the SFO.

12. **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. The hourly rate shall be \$35.00 per hour.

13. **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.

14. **SATELLITE DISH/ANTENNA:** The Government reserves the right to install additional satellite dishes or antennae at or on the Leased Premises [Building] 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. (Refer to SFO Paragraph 8.14, "Telecommunications: Local Exchange Access".)

15. **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:

Patrick Malone
Malone Yankee Park Properties, LLC
122 Gallison Hill Road
Montpelier, VT 05602-8822

INITIALS:


LESSOR

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GOV'T

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

Thomas J. McNaughton
Leasing Contracting Officer
Real Estate Acquisition Div-Leasing Branch
Public Building Service
New England Region
U.S. General Services Administration
10 Causeway Street, RM 900
Boston, MA 02222

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

16. 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 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.

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

- A. Solicitation for Offers No. 9VT2001 – 54 pages
- B. GSA Form 3517B, General Clauses (Rev 11/05) – 33 pages
- C. GSA Form 3518, Representations and Certifications (Rev 1/07) – 7 pages
- D. Exhibit A –Schematic Floor Plan, 57 Yankee Park Road, Fairfax, VT – 2 Pages

18. To the extent of any inconsistency between the terms of this Standard Form 2 (SF2) and any of the attachments, the terms of this SF2 shall govern.

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