

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

2/22/10

DATE OF LEASE

2/22/10

LEASE NO.

GS-05B-18114

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

whose address is  
Rockside 77 Properties, LP  
10705 Northfield Road  
Northfield, OH 44067-0429

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:

16,437 ANSI/BOMA office area square feet (18,902 rentable square feet) of contiguous office space located at Crown Centre One, 5005 Rockside Road, 7<sup>th</sup> floor, Independence, OH 44131 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 the date which is not later than 120 working days after the Government has issued the "Notice to Proceed" to the Lessor for a period of ten (10) years, with a firm term of five (5) years, subject to termination and renewal rights as may be hereinafter set forth. The actual term will be established by Supplemental Lease Agreement at the time the Government accepts the space.

3. The Government shall pay the Lessor annual rent for a firm term of five (5) years of \$545,700.73 at the rate of \$45,475.0608 per Month in arrears.

The Government shall pay the Lessor annual rent for years 6-10 of \$420,380.48 at the rate of \$35,031.7067 per Month in arrears.

Rent checks shall be made payable to: Rockside 77 Properties, LP / Prestige Management  
10705 Northfield Road  
Northfield, Ohio 44067-0429

4. The Government may terminate this lease at any time after five (5) years, by giving one hundred 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~~

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

A. All labor, materials, equipment, fees, utilities, construction drawings (including without limitations, plans and specifications), construction costs and services and all other costs and expenses related thereto or necessitated thereby in connection with the design, construction, and installation of the building and improvements identified in Solicitation For Offers No. GS-05B-18114 and its attached Special Requirements.

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

INITIALS:

LESSOR

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GOVERNMENT

- i. Tenant Improvement shall be all alterations for the Government demised area from existing conditions of the leased space. The Tenant Alteration Allowance shall be \$47.41 per ANSI/BOMA Office Area square feet. Such alterations shall be described and identified in the drawings used to construct the Government demised area, as stated in SFO No. GS-05B-18114.
  - ii. If it is anticipated that the Government will spend 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, as stated in Section 1.11. of SFO No. GS-05B-18114.
- B. All services, utilities, building, parking areas, and grounds maintenance and other operations as set forth elsewhere in this lease.
- C. All responsibilities and obligations as defined in the SFO No. GS-05B-18114 and other attachments to the Lease referenced in Paragraph 7 of this SF-2 form.
- D. Thirty five (35) reserved, on-site parking spaces shall be provided in a covered parking garage for Government use only:
7. The following are attached and made a part hereof:  
(A) Paragraphs 12 through 24 of this lease on pages 3 and 4; (B) Solicitation of Offers NO. GS-05B-18114 dated 02/04/08, pages 1 through 47; (C) Special Requirements of the [REDACTED] including exhibits consisting of 51 pages (D) GSA Form 3517B (REV. 11/05) consisting of 33 pages; (E) GSA Form 3518 (REV. 7/04) consisting of 7 pages; (F) Floor Plan, including the leased space.
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 27, 2009, submitted by the Lessor under SFO GS-05B-18114. This lease reflects the terms and conditions of the accepted Best and Final Offer.
10. Cost adjustments and termination rights shall be adjusted to coincide with any revised actual commencement date. The actual commencement date will be established by Supplemental Lease Agreement to the lease. The lease will then be in effect for ten (10) years, subject to termination rights as specified in the lease. The anniversary date for annual escalations, operating cost adjustments and termination rights shall be adjusted to coincide with any revised actual commencement date.
11. The Lessor will complete any improvements in the space making it ready for occupancy no later than 120 working days after receiving the Government's Notice to Proceed. GSA shall deliver layout drawings and necessary finish selections to the Lessor within 45 working days after award.

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

LESSOR Rockside 77 Properties, LP

BY [REDACTED]  
(Signature) PRESIDENT

\_\_\_\_\_  
(Signature)

IN PR [REDACTED]  
(Signature)

[REDACTED]  
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY [REDACTED]

\_\_\_\_\_  
Contracting Officer  
(Official title)



12. **Usable Square Footage:** The total net usable square foot area referred to in Paragraph 1.1, is subject to adjustment, but may not be less than the minimum 16,437 ANSI/BOMA Office Area square feet defined in the Solicitation for Offers No. GS-05B-18114. 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 \$33.21 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. **Operating cost adjustments:** The rent is subject to annual operating cost adjustments in accordance with Section 3.7 of Solicitation for Offers No. GS-05B-18114 within this lease. It is understood and agreed that for operating cost adjustment purposes, the first year's operating cost will be \$144,696.00 (subject to actual measured accepted space).
14. **Government's percent of the net usf area of the building:** 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-18114 within this lease, the Government will occupy 7.4678 percent of the net rentable square foot area of the building.
15. **Lease Common Area Factor:** The Lease Common Area Factor is 1.15 (16,437 useble square feet multiplied by 1.15 equals 18,902 rentable square feet of space).
16. **Overtime HVAC Cost:** If heating or cooling is required by the Government on an overtime basis, it shall be provided upon the request by the Government at \$31.00 per hour.
17. **Tenant Improvements:** 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 Amendment No. 1 to Paragraph 1.10 of SFO No. GS-05B-18114, the Lessor agrees to provide up to \$779,278.17 toward the cost of the Tenant Improvements. The tenant build out cost of \$779,278.17 (based on \$47.41 per ANSI/BOMA Office Area square foot) is amortized for a period of 5 years at an average of 5.94% (the original Government-provided TI allowance of \$37.00 will be amortized at 5%. Anything above this amount will be amortized at 8%). Therefore, the amortized tenant build out costs are \$180,526.78 per annum or \$9.55 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 5.94% amortization rate (or 5% if less than \$37.00 per ANSI/BOMA square foot). The refund will be a credit of the rent equally spread out throughout the firm lease term (5 years). In the event that the Tenant Improvement Cost is greater than the amount provided above, Lessor agrees to amortize the additional cost at 8% 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.
18. **Changes to leased area or funding for changes to TI:** 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 acknowledgement of funding for any changes to any and all Tenant Improvement costs, approved prior to the Notice to Proceed with build out of the tenant's space.
19. **Adherence to local requirements and codes:** The Lessor must comply with all construction and development requirements of the City of Independence, OH. Furthermore, the Lessor will meet all Fire and Life Safety requirements as stated in the Lease, along with meeting all local codes specified in local standards.
20. **Sale or transfer of property:** If the property housing the leased premises is sold or transferred, the following information is required before the Government can acknowledge the success in interest and change the payee for rent or other payments:
  - (I) Evidence of the transfer of title.
  - (II) A letter from successor Lessor (transferee) assuming, approving and adopting the lease and agreeing to be bound by its terms.
  - (III) A letter from prior Lessor (transferor) waiving all rights under the lease as against the United States of America, except unpaid rent through a specified date, usually the date of ownership transfer.
  - (IV) The IRS tax identification number of the new owner.

INITIALS:

  
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Where leased premises are transferred by death of the Lessor, a copy of the letters of administration when there is no will, showing the Lessor(s), is required. Unless an interim court order is received, rents will be accrued and paid the new owner(s) upon final settlement of the estate.

21. **Questions pertaining to this lease:** All questions pertaining to this lease should be referred to the Contracting Officer of the General Services Administration or his/her designee. The Government occupant is not authorized to administer this lease. The General Services Administration assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this lease or authorized in writing by the Contracting Officer or his/her designee.
22. **Terms and conditions of this Lease:** All terms and conditions of this Lease as expressly contained herein represent the total obligations of the Lessor and the Government. Any agreements, written or oral between the Lessor and Government prior to the execution of this Lease are not applicable or binding. This agreement may be amended only by written instrument executed by the Lessor and Government.
23. **Government's Signatory Authority:** The Contracting Officer represents that the General Services Administration as an agent with authority to enter into this Lease on behalf of the Government and executes this document in his or her Official capacity only, and not as an individual.
24. **Commission Agreement:** Commission credits will be applied to the shell rent of the lease and rental payments shall be reduced by that amount in the first months of the lease term until all credits have been applied. The reduction of rent will not apply to any Operating Costs (OC) that are included in the gross rental rate. Rental payments for OC will be paid in accordance with the terms and conditions of the lease at commencement. Commission payment and the commission credit have been negotiated by Jones Lang LaSalle, representing GSA. Commissions to Jones Lang LaSalle for this lease are negotiated at [REDACTED] of the aggregate lease value over the total 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	Adjusted Monthly Rent Payment
Month 1	\$45,475.0608	\$14,116.8292	[REDACTED]	[REDACTED]
Month 2	\$45,475.0608	\$14,116.8292	[REDACTED]	[REDACTED]
Month 3	\$45,475.0608	\$14,116.8292	[REDACTED]	[REDACTED]
Months 4-60	\$45,475.0608	\$14,116.8292	\$0.00	\$45,475.0608

INITIALS: Man & [Signature]  
 LESSOR & GOVERNMENT