

LEASE NO. GS-06P-31015

Standard Lease
GSA FORM L201C (October 2012)

This Lease is made and entered into between

STAR CITY/FEDERAL, LLC (Lessor), whose principal place of business is:

**MARATHON PROPERTIES, INC., MANAGER
11222 DAVENPORT STREET
OMAHA, NEBRASKA 68154-2628**

and whose interest in the Property described herein is that of Fee Owner, and **THE UNITED STATES OF AMERICA** (Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**STAR BUILDING
850 S STREET
LINCOLN, NEBRASKA 68508-1225**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

TEN (10) YEARS, SIX (6) YEARS FIRM,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be

to the Lessor.

FOR

Name

Title:

Entity Name: Star City/Federal, LLC

Date: 1/27/14

General Services Administration, Public Buildings Service

Date: 1/29/14

Title: Member

Date: 2014 January 27

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

LESSOR:  GOVERNMENT: 

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

- A. Office and Related Space: 140,127 rentable square feet (RSF), yielding 132,627 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1st and 2nd floors of the Building, as depicted on the floor plans attached hereto as **Exhibit A**.
- B. Common Area Factor: The Common Area Factor (CAF) is established as 5.654957 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012) MODIFIED

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

Parking: Four (4) parking spaces included on the plan attached hereto as **Exhibit B**, for the exclusive use of the Government Owned Vehicles along with Lessor controlled spaces and outside vendor / contractor spaces, of which all shall be surface/outside parking spaces secured and lit in accordance with the Security Requirements set forth in the Lease. Lessor reserves the right to change exact parking configuration, however, four (4) spaces for Government use shall be included within the area identified in Exhibit B for the duration of this Lease. The Property shall also be located within a ¼ walkable mile of a minimum Five Hundred Fifty (550) commercially available parking spaces. The cost of the commercially available space is not included in the rental consideration.

Not included in the Lease are rights to use the following:

There is a small separate structure attached to the Building on the West side that is not a part of the leased Premises. It contains storage for Lessor's use and a small bathroom for use by Lessor and the parking lot attendant for the adjacent parking lot to the North of the Building. There is also a horseshoe shaped easement around the North side of the Building for the benefit of the adjacent property owner to the North (parking lot).

1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

<u>Year</u>	<u>Shell Rent 1</u>	<u>Tenant Imp 2</u>	<u>BSAC 3</u>	<u>Op Costs 4</u>	<u>Total Annual Rent</u>
1	\$1,706,171.76	\$768,941.61	\$128,156.93	\$1,138,346.22	\$3,741,616.52
2	\$1,727,758.20	\$768,941.61	\$128,156.93	\$1,138,346.22	\$3,763,202.96
3	\$1,749,776.37	\$768,941.61	\$128,156.93	\$1,138,346.22	\$3,785,221.13
4	\$1,772,234.90	\$768,941.61	\$128,156.93	\$1,138,346.22	\$3,807,679.66
5	\$1,795,142.60	\$768,941.61	\$128,156.93	\$1,138,346.22	\$3,830,587.36
6	\$1,818,508.46	\$768,941.61	\$128,156.93	\$1,138,346.22	\$3,853,953.22
7	\$1,219,366.87			\$1,138,346.22	\$2,357,713.09
8	\$1,243,676.71			\$1,138,346.22	\$2,382,022.93
9	\$1,268,472.75			\$1,138,346.22	\$2,406,818.97
10	\$1,293,764.70			\$1,138,346.22	\$2,432,110.92

¹Includes negotiated real estate tax base of \$162,000.00. See also Paragraph 2.07.
²The Tenant Improvement Allowance of \$3,978,810.00 is amortized at a rate of 5.0 percent per annum over 6 years.
³Building Specific Amortized Capital (BSAC) of \$663,135.00 is amortized at a rate of 5.0 percent per annum over 6 years
⁴Operating Cost Escalation Applies per Paragraph 2.09

In instances where the Lessor amortizes either the TI or Building Specific Amortized Capital for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed **142,000** ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (AUG 2011) MODIFIED

Provided the Government is not in default beyond any applicable cure periods under the provisions of the Lease, The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than **One Hundred Eighty (180)** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later, however in no event shall the effective date be on or prior to the end of the firm term of the lease. No rental shall accrue after the effective date of termination.

In the case of a partial termination, the space to be terminated shall be commercially leasable by the Lessor as mutually determined by the Lessor and the Government. The vacated space shall be accessible to common areas such as rest rooms and elevators for prospective new tenants. If vacated space is leased to a new tenant, the Government, at Government's expense, shall pay for the cost to modify the building and building systems in order to delineate the new tenant's occupied space from Government occupied space.

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
SITE AND FLOOR PLAN(S)	6	A
PARKING PLAN(S)	1	B
██████████ SPECIAL REQUIREMENTS	22	--
██████████ STRUCTURED CABLE PLANT STANDARD	65	--
SECURITY REQUIREMENTS - ██████████	11	--
GSA FORM 3517B GENERAL CLAUSES	46	--
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	--
AMENDMENTS TO RLP NO. 2NE0072		--

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$30.00** per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of **5.0** percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012) MODIFIED

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	7.5%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	2.0%
GENERAL CONTRACTOR FEES	5.5%
COMMISSIONING (COMMISSIONED ITEMS ONLY)	2.5%
OVERHEAD AND PROFIT	3.5%
DESIGN AND CONSTRUCTION INTEREST	5.0%

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012) MODIFIED

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$5.00** per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of **5.0** percent. The BSAC Fee Schedule shall be the same as the Tenant Improvement Fee Schedule in 1.10 above.

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government shall have the right to either:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent.

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **One Hundred Percent (100%)**. The Percentage of Occupancy is derived by dividing the total Government Space of **140,127 RSF** by the total Building space of **140,127 RSF**.

1.14 REAL ESTATE TAX BASE (JUN 2012)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is **\$162,000.00**. This is a negotiated amount.

1.15 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$1,138,346.22** per annum.

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012) MODIFIED

There will be no adjustment for failure to occupy the premises during the firm term of the Lease, and there will be no adjustment for vacant leased premises during the firm term of the Lease.

After the firm term of the lease, if the Government vacates a portion of the leased premises, the operating costs paid by the Government will be reduced by the square footage of the vacated area in an amount not to exceed **\$1.75/rsf** provided;

- a) The Government provides a six (6) month written notice to Lessor, and;
- b) The vacated space is acceptable to the Lessor.

Subsequently, in the event a new tenant acceptable to the Lessor, at its discretion, leases all or a portion of the Government's vacated area, the Rent and Other Consideration will be reduced by the square footage of the vacated area in an amount not to exceed the then current rate per square foot.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011) MODIFIED

Normal utility use is provided between the hours of 6 AM & 5 PM Monday through Friday excluding weekends and Federal holidays. Based on the current routing of the HVAC systems and open floor plan, the entire building shall apply.

The cost per hour for OT utilities is as follows:

OT Utilities Schedule
OT Utilities are between the hours of 5 PM & 6 AM Monday - Friday plus Saturday, Sunday & Federal Holidays
Lease Year

1	2	3	4	5	6	7	8	9	10
\$75.00	\$79.00	\$83.00	\$87.00	\$92.00	\$96.00	\$101.00	\$106.00	\$111.00	\$117.00

1.18 24-HOUR HVAC REQUIREMENT (APR 2011) MODIFIED

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of **\$0.10** per ABOA SF per HVAC unit (max 15 tons per unit) of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the space, the Lessor shall complete building improvements required by this lease and all attachments whether specified herein or by subsequent design and agreement.

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.