

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

29 August 2012

LEASE NO.

GS-05B-18554

THIS LEASE, made and entered into this date by and between Western Avenue Properties, LLC

Whose address is 416 E. Monroe St., Suite 320
South Bend, IN 46601-2328

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 30,119 rentable square feet (RSF) of office and related space, which yields 24,658 ANSI/BOMA Office Area square feet (ABOA SF) of space at Rodigbaugh Courthouse, 401 S. Michigan Street, South Bend, Indiana 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 sixty-six (66) total onsite parking spaces, including six (6) reserved structured parking spaces in the building garage, and sixty (60) on-site general surface parking spaces for the exclusive use of the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning March 1, 2012 and continuing for a fifteen (15) year term through February 28, 2027, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent at the following rate:

Term Years	Annual Rent
1-10	\$808,197.52
11-15	\$775,564.25

Sixty-six (66) onsite parking spaces are included in the rent at no additional cost to the Government.

Rent for a lesser period shall be prorated. Rent shall be made payable to:

Western Avenue Properties, LLC
416 E. Monroe St., Suite 320
South Bend, IN 46601-2328

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

LESSOR
WESTERN AVENUE PROPERTIES, LLC

William A. Panzica
Managing Member

(Title)

416 East Monroe Street, Suite 320
South Bend, Indiana 46601

(Address)

IN PRESENCE OF

(Signature)

Zlata I. Godsel
Lease Contracting Officer
General Services Administration

(Official Title)

4. The Government may terminate this lease in whole or in part at any time on or after the tenth (10th) year by giving at least 90 days notice in writing to the Lessor and no rental shall accrue after the effective mailing date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. INTENTIONALLY DELETED
6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, maintenance, space improvements, parking and special requirements. This is a fully-serviced lease in accordance with SFO GS-05B-18554 dated October 25, 2011.
 - B. Build out in accordance with standards set forth in SFO GS-05B-18554 dated October 25, 2011, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant improvements and building specific security alterations shall be completed within ninety (90) calendar days following lease award, and payments for tenant improvement costs and building specific security costs will be withheld until substantial completion and acceptance by the Government. The Lessor hereby waives restoration.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Lease Contracting Officer.
7. The following are attached and made a part hereof:
 - A. Solicitation for Offers GS-05B-18554 dated October 25, 2011 (40 pages)
 - B. SFO GS-05B-18554 Exhibit A – Perimeter Windows (1 page)
 - C. SFO GS-05B-18554 Exhibit B - Carpet Replacement (2 pages)
 - D. Amendment No. 1 to SFO GS-05B-18554 dated December 20, 2011 (3 pages)
 - E. Amendment No. 2 to SFO GS-05B-18554 dated May 17, 2012 (3 pages)
 - F. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05])
 - G. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])
 - H. Exhibit A – Base Plans, (4 pages)
 - I. Exhibit B – Legal Description (1 page)
8. In accordance with the SFO paragraph 3.3 entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$96,140.00 shall be amortized through the rent for ten (10) years at the rate of 8.0%. The total cost of Tenant Improvements for the amortization period shall be \$139,973.20.

 Additionally, Building Specific Security alterations in the total amount of \$170,595.00 shall be amortized through the rent for ten (10) years at the rate of 8.0%. The total cost of Building Specific Security alterations for the amortization period shall be \$248,374.70.
9. In accordance with the SFO paragraph 4.1 B.9. entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100%.
10. In accordance with the SFO paragraph 1.3 C. entitled *Common Area Factor*, the common area factor is established as 1.22146971 (30,119 RSF/24,658 ABOA SF).
11. In accordance with the SFO paragraph 4.3 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.25 per ABOA SF for vacant space (rental reduction).
12. In accordance with the SFO Paragraph 4.5 entitled *Overtime Usage*, the rate for overtime usage is established as \$40.00 per hour for the entire building or any portion thereof. Overtime shall not be charged during normal building hours of operation or during the hours of operation set forth in the SFO paragraph 4.4 entitled "Normal Hours".

LESSOR

UNITED STATES OF AMERICA

BY _____

W

(Initial)

BY _____

[Signature]

(Initial)

13. The rate for areas requiring 24 hour per day HVAC is established as \$0.00. Overtime shall not be charged for areas requiring 24 hour HVAC during the term of the lease.

14. In accordance with the SFO paragraph 4.1 entitled "Tax Adjustment," this lease is subject to real estate tax adjustment. The real estate tax base amount for the entire building is \$160,874.00. The Government's proportionate share real estate tax base amount is established as \$160,874.00. The percentage of occupancy is 100.00%.

15. In accordance with the SFO paragraph 4.2 entitled *Operating Costs*, the escalation base is established as 160,379.00/annum. Operating Cost adjustments will apply to all operating costs with the exception of natural gas which shall be adjusted as follows:

A. Beginning March 1, 2013 and each year thereafter, the Government shall pay adjusted rent for changes in the actual costs for natural gas compared to the base year. The natural gas base year is \$8,379.00. The anniversary date for natural gas cost adjustments shall be March 1 of each succeeding year.

B. The amount of adjustment shall be determined as follows: Beginning March 1, 2013 and each year thereafter, the Lessor shall furnish the Contracting Officer with a statement showing detailed line items for any increases or decreases in natural gas costs as compared to the base year. The Government shall 1) make a single annual lump sum payment to the Lessor for its share of any increase in natural gas during the previous year above the base year, or 2) receive a rental credit or lump sum payment for its share of any decreases in the natural gas costs below the base year. The amount of lump sum payment or rental credit shall be based upon evidence of valuation and payment submitted by the Lessor to the Contracting Officer. No increase will be paid, due or owing unless all reasonable evidence has been provided to the Government.

16. In accordance with Paragraph 2.4 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. In the event the Aggregate Lease Value increases or decreases due to a change in the amount of Tenant improvements to be amortized, the commission percentage shall remain unchanged, the commission amount in dollars adjusted up or down accordingly, and the adjustment be reflected in the second one - half (1/2) payment. No Commission Credit shall apply to this Lease.

17. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new lease contracts after January 1, 1998. An enrollment form is attached to be completed and returned with this contract.

18. All questions pertaining to this Lease shall be referred to the Lease Contracting Officer of General Services Administration (GSA) or their designee. The Government occupant is **not** authorized to administer this lease, and GSA 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 Lease Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.

LESSOR

UNITED STATES OF AMERICA

BY



(Initial)

BY



(Initial)