

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

May 26, 2011

LEASE NO.

GS-05B-18608

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

PR II Presidents Plaza JV, LLC
c/o GlenStar Properties

whose address is 55 E. Monroe Street, Suite 3250
Chicago, IL 60603-5795

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. A total of approximately 31,906 rentable square feet (RSF), consisting of 27,907 ANSI/BOMA Office Area square feet (USF) of space located on the second floor at Presidents Plaza, 8700 W. Bryn Mawr Avenue, Chicago, IL 60631-3579 as indicated on Attachment F – Floor Plan, to be used for such purposes as determined by the General Services Administration.
 - B. 93 reserved parking spaces located at 8700 W. Bryn Mawr Avenue, including three (3) located in a secure structure and identified for government use only, plus an additional sixty (60) parking spaces located within three (3) blocks, all included in the rent.
 - C. In accordance with the SFO paragraph entitled Common Area Factor, the common area factor is established as 1.14330.
 - D. In accordance with the SFO paragraph entitled Percentage of Occupancy, the percentage of Government occupancy is established as 4.26972%.
2. TO HAVE AND TO HOLD the said premises with their appurtenances for a term of twenty (20) years, fifteen (15) years firm, and beginning upon the substantial completion of the space, and acceptance by the Government as satisfactorily complete. Occupancy is required 120 working days after the Lease Contracting Officer issues the Tenant Improvement Notice to Proceed. The expected occupancy date is May 1, 2012. The commencement date of this lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Supplemental Lease Agreement upon substantial completion and acceptance of the space by the Government.
3. The Government shall pay the Lessor annual rent of \$792,225.98 at the rate of \$66,018.83 per month or \$24.83 per RSF in arrears for Years 1-5. In years 6-10: \$887,943.98 at the rate of \$73,995.33 per month or \$27.83 per RSF. In years 11-15, \$983,661.98 at the rate of \$81,971.83 per month or \$30.83 per RSF. In years 16-20, \$1,079,379.98 at the rate of \$89,948.33 per month or \$33.83 per RSF. Accumulated operating cost adjustments will be included in the stated per annum rates at the time they become effective.

The full-service gross rent shall be abated for the first six (6) months of the lease term.

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

PR II Presidents Plaza JV, LLC
c/o GlenStar Properties
55 E. Monroe Street, Suite 3250
Chicago, IL 60603-5795

4. The Government may terminate this lease in whole or in part at any time after the firm term by giving at least 90 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 to the rental consideration, the following:

All services, utilities, and maintenance of the building and parking lot. Also, as part of the rental consideration, the Lessor shall meet all responsibilities and obligations as defined in this lease.

The Lessor shall furnish separate and adequate meter facilities (without cost to the Government) to permit the U.S. General Services Administration to make separate payment for electricity consumed by the Government for the operation of office equipment, lights, appliances, and after hours HVAC. The Lessor shall provide the Contracting Officer written verification of the meter numbers and certification that these meters measure the Government's usage only. Prorating is not permissible. Any electrical costs borne by the Government shall not exceed the local utility rates established by the public utility companies providing electric to this building, nor shall the rate charged by the Government exceed the rate applicable if it were paying the utility company directly. Further, no administrative or additional changes shall apply.

7. The following are attached and made a part hereof:

- A. Attachment to Standard Form 2 consisting of 2 pages;
- B. Solicitation for Offers GS-05B-18608 dated 8/12/10, amended 5/11/2011, consisting of 55 pages;
- C. Attachment # 9 to Solicitation for Offers GS-05B-18608, Design Guide, dated 8/12/2010 and consisting of 194 pages;
- D. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 06/08), consisting 33 pages;
- E. GSA Form 3518A entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 01/07), consisting of 7 pages;
- F. Floor plan showing the entirety of the space on the 2nd floor to be occupied by the tenant, consisting of 1 page;
- G. Floor plan showing the stairway and entrance that will be built for the tenant's use, consisting of 1 page;

8. The following changes were made in this lease prior to its execution:

PARAGRAPH 5 ABOVE WAS DELETED.

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

LESSOR

SIGNATURE: **PR II PRESIDENTS PLAZA JV, LLC**

NAME OF SIGNER

ADDRESS

IN THE PRESENCE OF (SIGNATURE)

NAME OF SIGNER

SIGNATURE

NAME OF SIGNER

CHRISTINE BECKER

OFFICIAL TITLE OF SIGNER

LEASE CONTRACTING OFFICER

9. The award date of this lease is the date this contract was formed as a result of the Government's acceptance of the Lessor's final proposal revision dated April 19, 2011, submitted by the Lessor under Solicitation for Offers GS-05B-18608. This lease reflects the terms and conditions of the accepted final proposal revision.
10. In accordance with the SFO paragraph 3.3 entitled, *Tenant Improvement Rental Adjustment*, the Lessor agrees to provide up to \$1,424,931.42 (\$51.06 per USF x 27,907 USF) toward the cost of Tenant Improvements. The costs of the Tenant Improvements are amortized at 7% over 234 months which equates to \$4.20 per RSF. The amortized cost of these improvements is included in the stated rent in Paragraph 3 above. In the event that the tenant improvement cost is less than the amount provided above, Lessor agrees to refund such difference in the form of a reduction to base rent using a discount rate of 7%. The refund shall be a credit to base rent equally amortized for the first 234 months of the full term. The Landlord understands that the Government may cancel this lease anytime after the 180th month, and that the Government is not responsible to pay for any unamortized tenant improvement beyond the cancellation date.
- Fees applicable to Tenant Improvements shall not exceed:
- General Conditions six (6) percent of project cost
 - General Contractor four (4) percent of project cost
 - Architectural/Engineering \$3.66 per usable square foot
 - Lessor Project Management Fees zero (0) percent of project cost
11. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.14330 (31,906 RSF / 27,907 USF).
12. In accordance with SFO paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 4.26972%. The Real Estate Tax Base is also established as \$123,795.00 per annum, or \$3.88 per RSF. The tax parcel ID numbers for the property are 12-02-302-018 and 12-02-302-019.
13. In accordance with SFO paragraph 4.3 entitled, *Operating Costs*, the base is established as \$240,624.00 per annum based on the Government's occupied space 31,906 RSF on the second floor. If necessary, the lease shall be amended by supplemental lease agreement after the actual field measurement to establish the square footage and rental in compliance with the terms of the lease.
14. In accordance with SFO paragraph 4.4 entitled, *Adjustment for Vacant Premises*, the adjustment is established as \$1.78 per USF for vacant space.
15. In accordance SFO paragraph 4.6 entitled, *Overtime Usage*, the rate for overtime usage is established as \$0 per hour; as overtime utilities shall be separately metered and paid for directly by the Government, as described in Paragraph 6 above.
16. The total net usable square foot area referred to in Paragraph 1 of this lease is subject to adjustment but may not exceed the maximum limitation, nor the minimum usable square foot requirement defined in the Solicitation for Offers. Should there be any adjustment in the square footage delivered, which will be determined through mutual field measurement, the per annum rental referred to above shall be adjusted on the basis of \$28.38 per usable square foot per annum. If necessary, the lease shall be amended by supplemental lease agreement after the actual field measurement to establish the square footage and rental in compliance with the terms of the lease. Should the leased space not offer the minimum usable square footage required, this lease may be declared null and void by the Government, with no further obligation on the part of either party.
17. Presidents Plaza, 8700 W. Bryn Mawr Avenue, Chicago, IL is owned by PR II Presidents Plaza JV, LLC with Rand Diamond, Member having signatory authority.
18. Information regarding Electronic Funds Transfer Payment Methods is provided in Paragraph 24, 552.232 -76, General Clauses, Form 3517B. 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.
19. The Lessor is a small business, not a woman-owned business or a veteran-owned business concern. The Tax Identification Number is [REDACTED] Its DUNS number is 967160891.
20. The Lessor shall complete the Central Contractor Registration (CCR) as referenced in Paragraph 11 of the Representations and Certifications, Form 3518, as a requirement for payment of rent by the Government.

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21. In accordance with the mutually agreed upon exceptions to the SFO; the majority of the Government's visitors, including, without limitation, all military recruits, shall exclusively utilize the separate tenant entrance to-be-built by Landlord.
22. In accordance with the mutually agreed upon exceptions to the SFO; notwithstanding anything to the contrary in the Solicitation (including Section 6 Form 3517B), the Government's right to substitute a different governmental tenant agency shall be limited to agencies that will not deviate from the general office and related space purposes for which the Government intends to use the premises; do not require increased access by the general public; will not increase the security requirements to be provided by Lessor for the premises or the building; and shall be otherwise subject to the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed.
23. 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 the 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.
24. The Lessor shall not construct, change, alter, remove or add to the leased premises without prior notification and approval from the General Services Administration (GSA). 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 the lease or authorized in writing by the GSA Contracting Officer.
25. The Contracting Officer represents 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/her official capacity only not as an individual.
26. Lessor shall perform alterations to the space according to approved layout drawings. The Lessor will complete alterations within 120 working days after receiving the Notice to Proceed from the Government. (Please refer to Form B, document Security Form, for procedures that must be followed in reference to Government drawings). Occupancy may occur earlier if the space is completed, the Lessor has an occupancy permit, and the Government has inspected and accepted the space and it is free of safety hazards.
27. In accordance with SFO paragraph 2.4, *Broker Commission and Commission Credit*, Jones Lang LaSalle ("JLL") is the authorized real estate broker representing GSA in connection with this Lease transaction. The Lessor and JLL have agreed to a cooperating Lease commission of [REDACTED] per rentable square foot per year of the firm term. This equates to roughly [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 fully executed and (ii) the balance upon the earlier of Tenant's occupancy of the premises pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.4, only [REDACTED] which is [REDACTED] of the Commission, will be payable to Jones Lang LaSalle when the Lease is awarded. The remaining [REDACTED] which is [REDACTED] of the Commission ("Commission Credit") shall be credited to the shell rental portion (less real estate taxes) of the annual rental payments due and owing 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 until the credit has been fully recaptured. The rent reduction shall begin in month 7 as the first 6 months of rental payments have been abated. The monthly rent schedule for the firm term is as follows:

Months	Total Monthly Rent	Monthly Shell Rent (less taxes)	Commission Credit	Total Net Monthly Rent
1-6	\$ -	\$ -	\$ -	\$ -
7	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
8	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
9	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
10	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
11	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
12	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
13	\$ 66,018.83	\$ 24,472.46	\$ [REDACTED]	\$ [REDACTED]
14-60	\$ 66,018.83	\$ 24,472.46	\$ -	\$ 66,018.83
61-120	\$ 73,995.33	\$ 32,448.96	\$ -	\$ 73,995.33
121-180	\$ 81,971.83	\$ 40,425.46	\$ -	\$ 81,971.83

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