

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

10 . 5 . 11

LEASE NO.

GS-05B-18670

THIS LEASE, made and entered into this date by and between STARWOOD PROPERTIES, LLC

whose address is

294 WEST JOLIET ROAD
VALPARAISO, IN 46383

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:

31,611 ANSI/BOMA usable square feet (36,353 rentable) of office space in a two story building, along with six (6) on-site secured surface parking spaces and seventy-two (72) on site spaces for the exclusive use of the Government, all located at the East 85th Avenue Building, 1276 East 85th Avenue, Merrillville, IN, 46307 to be used for such purposes as determined by the General Services Administration. This is a fully serviced lease, which includes tenant improvements, real estate taxes, operating costs and parking, as specified in SFO GS-05B-18670, which is attached to, and is part of this lease.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on August 1, 2011 through July 31, 2026, subject to termination and renewal rights as may be hereinafter set forth. The lease will then be in effect for ten (15) years, ten (10) years firm.

3. The Government shall pay the Lessor annual rent of \$964,081.47 [\$605,277.45 for Shell (excl. Taxes), \$120,691.96 for Taxes, \$207,939.16 for Operating Expenses and \$30,172.90 for tenant improvements] or monthly rent of \$80,340.12 in arrears.

In Section 3.2, TENANT IMPROVEMENTS INCLUDED IN OFFER, the Lessor agrees to provide up to \$.83 per BOMA usable square foot toward the cost of the tenant improvements amortized at a 7.00% annual interest rate over the firm term of the lease.

At the beginning of year eleven (11) the full term rent shall be reduced by \$30,172.90 for tenant improvements no longer being amortized. Rent shall be adjusted in accordance with the provisions of the Solicitation for Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

PATRICK SCHACKI
P.O. BOX 404
VALPARAISO, IN 46384

4. The Government may terminate this lease at any time on or after August 1, 2021, by giving at least 90 calendar 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 a five (5) year period with a shell rate of \$18.90 per rentable square foot. All other rates will remain the same. Notice shall be given in writing to the Lessor at least 90 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 service, utilities and maintenance (including janitorial) of the building and grounds as provided in the lease and attachments hereto.
 - (B) The Lessor shall satisfy all responsibilities and obligations as defined in the Solicitation for Offers No. GS-05B-18497 including the attachments to the lease referenced in Paragraph 7 below, as well as meeting all Handicap Accessibility and Fire/Life Safety Requirements.
7. The following are attached and made a part hereof:
- (A) Paragraphs 9 through 21 of this lease on pages 3 through 4;
 - (B) Solicitation for Offers (SFO) No. GS-05B-18670, 31 pages;
 - (C) GSA Form 3517B (REV. 6/08), 33 pages; and
 - (D) GSA Form 3518 (REV. 1/07), 7 pages.

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

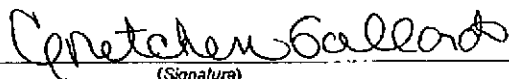
LESSOR: STARWOOD PROPERTIES, LLC

BY


PATRICK J. SCHACKI

(Signature)

IN PRESENCE OF:


(Signature)


(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY

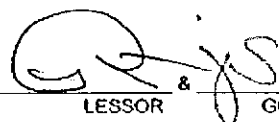
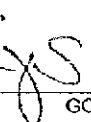

JIM SHARP

(Signature)


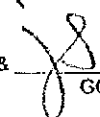
Lease Contracting Officer

(Official Title)

8. The 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 Revisions July 29, 2011, submitted by the Lessor under SFO GS-05B-18670. This lease reflects the terms and conditions of the accepted Final Revised Offer.
9. The rent is subject to annual operating cost adjustments in accordance with Section 4, Paragraph 4.2 OPERATING COSTS (SEP 2009) of Solicitation for Offers No. GS-05B-18670 within this lease. It is understood and agreed that for operating cost adjustment purposes, the first year's operating cost base will be \$207,939.16, which is approximately \$6.5781 per ANSI/BOMA usable square foot.
10. It is understood and agreed that for real estate tax adjustment purposes, in accordance with Section 4, Paragraph 4.1 TAX ADJUSTMENT (AUG 2008) of Solicitation for Offers No. GS-05B-18670 within this lease, the Government will occupy 100 percent of the net usable square foot area of the entire building. The Lessor estimated \$120,691.96 for the first year, fully assessed real estate taxes which is included in the annual rental as stated in this SF-2.
11. If heating or cooling is required by the Government on an overtime basis, it shall be provided at an additional cost to the Government of \$33.00 per hour. Pursuant to Paragraph 4.5, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:30 a.m. – 6:00 p.m., Monday through Friday, and Saturdays from 7:30 am to 1:00 pm, except Federal Holidays ("Normal Hours"). The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours.
12. In accordance with Paragraph 2.2, ENERGY INDEPENDENCE AND SECURITY ACT (SEP 2010) the lessor shall make the following improvements:
 - (A) Replacement of lights to more energy efficient fixtures and bulbs.
 - (B) Occupancy sensors in rooms
 - (C) Installation of timed contactors in open lighting areas.
 - (D) Balance HVAC system, upgrade T-State and install lock boxes
 - (E) Adjust thermostats to dial down temperature during non-working hours.
13. Lessor shall not construct, change, alter, remove, or add to the leased area without prior notification and approval from the Contracting Officer of the General Services Administration or his/her designee.
14. 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 the lease. The Government 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.
15. 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.
16. 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 or her Official capacity only, and not as an individual.

INITIALS:  & 
LESSOR GOVERNMENT

17. In accordance with Paragraph 4.3, ADJUSTMENT FOR VACANT PREMISES (Dec 2005), it is agreed that if the Government vacates any part of said space, the costs will be reduced by .70 per usable square foot.
18. The Lessor's DUNS Number is 780212002 and Tax ID Number is [REDACTED].
19. It is agreed that the current lease GS-05B-16387 will hereby terminate and be replaced with this lease GS-05B-18670.
20. The following changes were made to this lease prior to its execution:
 - (A) Paragraphs 1.5, 1.8, 3.1, 3.3, 3.4, 3.5(4), 9.2 were deleted
 - (B) Paragraph 1.2(B) Current parking will remain.
 - (C) Paragraph 6.3, DOORS, All doors currently meet the NEPA 101, Life Safety Code.
 - (D) Page 19, Repainting during lease term. This was changed to a tenant improvement cost and stated that it will be completed beginning year 6 of the lease instead of at the commencement of the lease
 - (E) Page 21, Recarpeting during lease term. This was changed to a tenant improvement cost and stated that it will be completed beginning year 6 of the lease instead of at the commencement of the lease.

INITIALS  & 
LESSOR GOVERNMENT