

LEASE NO. GS-05P-LIL19468

Warehouse Lease
GSA FORM L201WH (05/15)

This Lease is made and entered into between

HOFFMAN ESTATES MEDICAL DEVELOPMENT LLC

(Lessor), whose principal place of business is 304 Wainright Dr., Northbrook, IL 60062-1900, 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

2500 W. Golf Road, Hoffman Estates, IL 60169-1114

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

6 Years, 4 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 effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:



Name: Yan Katsnelson

Title: Manager

Entity Name: Hoffman Estates Medical Development LLC

Date: 2/25/16

FOR THE GOVERNMENT:



Name: Valerie L. Grant

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: FEB 29 2016

WITNESSED FOR THE LESSOR BY:



Name: Anne Brown

Title: Associate General Counsel

Date: 2/25/16

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.

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LESSOR: *YK*

GOVERNMENT: *VL*

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (WAREHOUSE) (MAY 2014)

The Premises are described as follows:

- A. Warehouse and Related Space: 73,573 rentable square feet yielding 72,859 ANSI/BOMA Office Area (ABOA) square feet (SF) of warehouse space as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. Common Area Factor: The Common Area Factor (CAF) is established as 1.009800 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 (WAREHOUSE) (MAY 2014) MODIFIED

The Government shall have exclusive or non-exclusive (as identified) 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:

- A. Automobile Parking:
148 parking spaces for passenger vehicles as depicted on the plan attached hereto as Exhibit B of which 0 spaces shall be marked as reserved for the exclusive use of the Government. All spaces must be secured and lit in accordance with the Security Requirements set forth in this Lease. The cost of this parking shall be included as part of the rental consideration.
- B. INTENTIONALLY DELETED
- C. Delivery Route:
- (1) At least one unobstructed route having no steps or abrupt changes in level shall connect with all accessible elements, spaces, buildings, and courses of passage. The minimum clear width of a route shall be 36 inches. If a route is less than 60 inches in width then it shall have level passing zones, spaced at no more than 200 feet apart, measuring a minimum of 60 inches by 60 inches.
 - (2) Objects projecting from walls with their leading edges between 27 and 80 inches above the finished floor shall protrude no more than 4 inches into an accessible route. Freestanding objects mounted on posts or pylons may overhang 12 inches maximum from 27 to 80 inches above the ground or the finished floor. Objects mounted with their leading edges at or below 27 inches above the finished floor may protrude any distance. However, no protruding objects shall reduce the clear width of an accessible route or maneuvering space. If vertical clearance of an area adjoining an accessible route is reduced to less than 80 inches, a barrier to warn blind or visually impaired persons shall be provided.
 - (3) Mechanical rooms and spaces which are not normally frequented by the public or occupants and are not part of an accessible or emergency route are excepted and need not be accessible.
 - (4) Gratings in a route surface shall have spaces no wider than ½ inch in one direction and shall be placed so that the long dimension of openings is perpendicular to the dominant direction of travel.
- D. Delivery Ramps:
- (1) Any part of an accessible route with a slope greater than 1 foot rise in 20 feet shall be considered a ramp. Where ramps are necessary, they shall have a non-slip surface with a slope no greater than 1 foot rise in 12 feet. Ramps must have a minimum clear width of 3 feet with level landings at the top and bottom of each ramp run. Each landing shall be at least 5 feet in length and as wide as any ramp run leading into it. The maximum rise for any run shall be 30 inches. Intermediate landings for turning ramps shall measure a minimum of 5 feet by 5 feet.
 - (2) Lessor shall provide handrails complying with "HANDRAILS" (36 CFR 1191) on both sides of all ramps with a vertical rise greater than 6 inches. Ramps with drop-offs shall have curbs (minimum 2 inches high), walls, railings or projecting surfaces. Lessor shall provide curb ramps wherever an accessible route crosses a curb. Curb ramps shall not interfere with walks or vehicular traffic. The maximum slope of a curb ramp shall be a 1 inch rise per 12 inch run. The maximum length of a curb ramp shall be 6 feet with a minimum width of 36 inches, exclusive of flared sides. If no other alternative is feasible, accessible platform lifts may be used in lieu of a ramp or elevator. Lifts shall have accessible controls and clearances, shall comply with applicable safety regulations, and should facilitate unassisted entry and exit.
- E. Antennas, Satellite Dishes, and Related Transmission Devices:
- (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment,
 - (2) the right to access the roof of the Building, and
 - (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.
- F. Loading Docks. See "LOADING DOCKS SHELL WAREHOUSE" paragraph in Section 3 of this Lease.

1.03 TRUCK TURNING RADIUS REQUIREMENTS (WAREHOUSE) (MAY 2014) MODIFIED

At a minimum, a truck turning radius for a 53 foot Semi Truck trucks shall be provided and maintained at all times for all loading docks designed for such sized trucks. One-way design for service traffic is preferred in order to avoid the need for large turning areas.

1.04 CLEAR CEILING HEIGHT REQUIREMENTS (WAREHOUSE) (MAY 2014) MODIFIED

10,000 ABOA SF for the office area must have a minimum ceiling height of 10 feet 00 inches and a maximum of 12 feet 00 inches, measured from floor to the lowest obstruction, with the balance of the space maintaining a clear ceiling height of a minimum of 15 feet 00 inches. Bulkheads and hanging or surface mounted light fixtures which impede traffic ways shall be avoided.

1.05 INTENTIONALLY DELETED

1.06 RENT AND OTHER CONSIDERATION (APR 2015) MODIFIED

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

	FIRM TERM	NON-FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$ 1,071,319.41	\$ 1,124,931.17
TENANT IMPROVEMENTS RENT ²	\$ 319,551.01	\$ 0.00
OPERATING COSTS ³	\$ 245,050.03	\$ 245,050.03
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 513,328.72	\$ 0.00
PARKING ⁵	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$2,149,249.17	\$1,369,981.20

¹Shell rent calculation:

(Firm Term) \$14,561,312 per RSF multiplied by 73,573 RSF

(Non-Firm Term) \$15,290,000 per RSF multiplied by 73,573 RSF

²The Tenant Improvement Allowance of \$15,562,689 is amortized at a rate of 6 percent per annum over 4 years.

³Operating Costs rent calculation: \$3,330,706 per RSF multiplied by 73,573 RSF. (Operating Costs are defined elsewhere herein)

⁴Building Specific Amortized Capital (BSAC) of \$25,000,000 are amortized at a rate of 6 percent per annum over 4 years

⁵Parking costs described under sub-paragraph H below

In instances where the Lessor amortizes either the TIA or Building Specific Amortized Capital (BSAC) 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 72,859 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.

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 the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. The 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 herein 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.

H. Parking shall be provided at a rate of \$0.00 per parking space per month (Structure), and \$0.00 per parking space per month (Surface).

1.07 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. DTZ Americas, Inc. d/b/a Cushman & Wakefield, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission will be payable to DTZ Americas, Inc. d/b/a Cushman & Wakefield, Inc. with the remaining [REDACTED] which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing 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 in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$179,104.10 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

Month 2 Rental Payment \$179,104.10 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.*

Month 3 Rental Payment \$179,104.10 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.08 TERMINATION RIGHTS (AUG 2011)

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 120 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. No rental shall accrue after the effective date of termination.

1.09 INTENTIONALLY DELETED

1.10 DOCUMENTS INCORPORATED IN THE LEASE (WAREHOUSE) (APR 2015)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING AND SITE PLAN	1	B
AGENCY SPECIAL REQUIREMENTS (REQUIREMENTS FOR A TEMPORARY FACILITY FOR THE RECORDS AND ARTIFACTS)	57	C
[REDACTED] RADON SURVEILLANCE AND TESTING PROTOCOL (REVISED FEBRUARY 25, 2014)	2	D
How to use [REDACTED] Blanket Purchase Agreement	3	E
Security Requirements for Level III	11	F
Security Unit Price List for Level III	3	G
GSA FORM 3517B GENERAL CLAUSES	46	H
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	I

1.11 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$15.562689 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 6 percent.

1.12 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

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 may elect to:

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.

1.13 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

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)	6%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5%

1.14 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$25,000,000 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 6 percent.

1.15 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

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 may elect to:

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.

1.16 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 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 73,573 RSF by the total Building space of 73,573 RSF.

1.17 REAL ESTATE TAX BASE (SEP 2013)-The Real Estate Tax Base is \$195,851.42. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.18 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$3.330706 per RSF (\$245,050.03/annum).

1.19 INTENTIONALLY DELETED

1.20 INTENTIONALLY DELETED

1.21 INTENTIONALLY DELETED

1.22 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- A. Parking lot shall be seal coated and restriped.
- B. New roof will be installed per GSA specs.
- C. Landlord shall increase roof insulation.
- D. Landlord shall replace select HVAC.
- E. Landlord shall achieve Energy Star rating by January 27, 2017.

1.23 INTENTIONALLY DELETED