

**LEASE NO. GS-04B-62451**

Streamlined Lease  
GSA FORM L201B (June 2012)

This Lease is made and entered into between

Lessor's Name: PEM ENTERPRISES INC.

(Lessor), whose principal place of business is 517 BROADWAY ST. SUITE 200 PADUCAH KY 42001-6824, 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

: 517 BROADWAY ST. PADUCAH KY

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

**10 Years, 5 Years Firm plus** [REDACTED]

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.

[REDACTED]

Title: President  
Entity Name: PEM  
Date: 4/25/13

FOR THE [REDACTED]

Name: [Signature]  
Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: 5/7/13

[REDACTED]

Title: Secretary  
Date: 4/25/2013

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: [Signature] GOVERNMENT: [Signature]

**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: 2,254 rentable square feet (RSF), yielding 1,960 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 2 floor(s) and known as Suite(s) 201, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. Common Area Factor: The Common Area Factor (CAF) is established as 1.15. 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)**

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:

- A. Parking: 0 parking spaces are reserved for the exclusive use of the Government.
- B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

**1.03 RENT AND OTHER CONSIDERATION (JUN 2012)**

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

	" FIRM TERM "	" NON-FIRM TERM "
	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$16,267.20	\$18,267.20
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$17,729.21	\$0
OPERATING COSTS <sup>3</sup>	\$9,800	\$9,800
BUILDING SPECIFIC SECURITY <sup>4</sup>	\$0	\$0
PARKING <sup>5</sup>	\$0	\$0
TOTAL ANNUAL RENT	\$45,796.41	\$28,067.20

<sup>1</sup>Shell rent (Firm Term) calculation: \$8.10 per RSF multiplied by 2,254 RSF  
<sup>2</sup>The Tenant Improvement Allowance of \$79,733.92 is amortized at a rate of 4.25% percent per annum over 5 years  
<sup>3</sup>Operating Costs rent calculation: \$5.00 per RSF multiplied by 2,254 RSF

- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 1,960 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- C. THIS SUB-PARAGRAPH WAS INTENTIONALLY DELETED.
- D. 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.
- E. 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.
- F. 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;

LESSOR:   ep   GOVERNMENT:   JH

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.

G. THIS SUB-PARAGRAPH WAS INTENTIONALLY DELETED

**1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)**

A. THIS SUB-PARAGRAPH WAS INTENTIONALLY DELETED

B. THIS SUB-PARAGRAPH WAS INTENTIONALLY DELETED

**1.05 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 30 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.

**1.06 RENEWAL RIGHTS (AUG 2011)**

This Lease may be renewed at the option of the Government for a term of [REDACTED] at the following rental rate(s):

	OPTION TERM, YEARS		OPTION TERM, YEARS	
	ANNUAL RENT	ANNUAL RATE / RSF (SHELL)	ANNUAL RENT	ANNUAL RATE / RSF (SHELL)
SHELL RENTAL RATE	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM YEAR 10 OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.		OPERATING COST BASIS SHALL CONTINUE FROM YEAR 10 OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least 15 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term, including termination rights.

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (JUN 2012)**

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)		A
AGENCY SPECIFIC/SPECIAL REQUIREMENTS		B
SECURITY REQUIREMENTS		C
GSA FORM 3517B GENERAL CLAUSES		D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS		E
APPROVED DIDS		F
CLIENT DESIGN GUIDE		G

**1.08 TENANT IMPROVEMENTS AND PRICING (STREAMLINED) (SEPT 2011)**

The Lessor has agreed to total TI pricing of \$79,733.92 based on the approved DIDs included in Exhibit F. This amount is amortized in the rent over the Firm Term of this Lease at an interest rate of 4.25 percent per year.

The Government shall have the right to make lump sum payments for any or all TI work.

1.09 INTENTIONALLY DELETED

1.10 INTENTIONALLY DELETED

LESSOR: CP GOVERNMENT: [Signature]

**1.11 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 8.80% percent. The Percentage of Occupancy is derived by dividing the total Government Space of 2,254 RSF by the total Building space of 25,600 RSF.

**1.12 REAL ESTATE TAX BASE (JUN 2012)**

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$0.00 (as per GSA form 1217).

**1.13 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 \$4.35 per RSF (\$9,800/annum).

**1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)**

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by the current operating rate at the time of termination for the space vacated by the Government.

**1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)**

There shall be no charges for Overtime HVAC usage.

**1.16 24-HOUR HVAC REQUIREMENT (APR 2011)**

There shall be no hourly overtime HVAC rate, as specified above, for 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. 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.

**1.17 BUILDING IMPROVEMENTS (JUN 2012)**

The Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

- A. Structural integrity verification/certificate must be provided by a Certified Structural Engineer approved by the Government, all necessary upgrades/retrofit plan shall be completed within 3-4 years after signing of the lease by both parties— See "Additional Terms and Conditions".
- B. Exterior lighting to ensure ample lighting, if applicable.
- C. HVAC/Mechanical Systems must be tested and approved, in accordance with Lease and by a LCO or LCO approved engineer.
- D. Temperature in the telecommunications area shall be typically regulated between 64° -69° Fahrenheit.
- E. Common areas shall be compatible with the office space offered to the Government in appearance and should be professionally and aesthetically pleasing in appearance, prior to Government acceptance.

**1.18 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.