

LEASE NO. GS-05B-19022

Succeeding/Superseding Lease
GSA FORM L202 (October 2012)

This Lease is made and entered into between

The Islander Company, A Ltd. Partnership,

whose principal place of business is 6940 South Edgerton, Brecksville, Ohio 44141-3184, 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 Islander Park One 7550 Lucerne Drive, Middleburg Hgts., Ohio 44130-6568.

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 on January 1, 2013, and continuing for a period of **10 Years, 5 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: THE ISLANDER COMPANY, A Ltd. Partnership, by Pearl Management Company Inc. General Partner

FOR THE GOVERNMENT:

Name: Paul Madow

Title: Secretary

Date: 3/5/13

[Redacted Signature]
Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 3/6/2013

[Redacted Signature]

Title: PROPERTY MANAGER

Date: 3/5/13

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. 3020-0163

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (JUN 2012)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

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- A. Office and Related Space: ~~2,111~~ ^{second} rentable square feet (RSF), yielding 2,111 ANS/BCMA Office Area (ABOA) square feet (SF) of office and related Space located on the ~~4th~~ floor 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 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 (JUN 2012)

The Government shall have the non-exclusive right to the use of Appurtenant 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: Lessor shall provide surface/ outdoor parking. In addition, Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- 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 CONSIDERATIONS (SEP 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
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$24,044.29	\$24,044.29
TENANT IMPROVEMENTS RENT ²	\$ 1,498.81	\$1,498.81
OPERATING COSTS ³	\$ 9,288.40	\$ 9,288.40
BUILDING SPECIFIC AMORTIZED CAPITAL ⁴	\$ XXX,XXX.XX	\$ XXX,XXX.XX
PARKING ⁵	\$ 0.0	\$ 0.0
TOTAL ANNUAL RENT	\$34,831.50	\$34,831.50

¹Shell rent (Firm Term) calculation: \$11.39 per RSF multiplied by 2,111 RSF.
²The Tenant Improvement Allowance of \$9,451.39 is amortized at a rate of 10 percent per annum over 10 years.
³Operating Costs rent calculation: \$4.40 per RSF multiplied by 2,111 RSF.

in instances where the Lessor amortizes either the TI or Building Specific Amortized Capital 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.

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- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 2,111 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.
- D. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) 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 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 System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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.
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.
3. Performance or satisfaction of all other obligations set forth in this Lease, and all services, utilities, maintenance required for the proper operation of the Property, the Building, and the Leased 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. An automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

H. Parking shall be provided at a rate of \$0.0 per parking space per month (Structure) and \$0.0 per parking space per month (Surface).

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

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A. [NBC2 Broker Name] (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is \$XX and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only \$XX of the Commission will be payable to [NBC2 Broker Name] with the remaining \$XX, 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.

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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 X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted Xth Month's Rent *

Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted Xth Month's Rent *

Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted Xth Month's Rent *

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

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 XX YEARS at the following rental rate(s):

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NA
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	OPTION TERM, YEARS XX - XX	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$XX	\$XX
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM YEAR XX OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least XX 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.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (JUN 2012)

LESSOR: [Signature] GOVERNMENT: [Signature]

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	
GSA FORM 3517B GENERAL CLAUSES	48	
GSA FORM 3518 REPRESENTATIONS AND CERTIFICATIONS	7	

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEPT 2011)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs 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 TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.09 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$0.0 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 0 percent.

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

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 shall have the right to either:

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.

1.11 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 3.98 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 2,111 RSF by the total Building space of 53,000 RSF.

1.12 ESTABLISHMENT OF TAX BASE (JUN 2012)

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease is \$1.89.

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 \$4.40 per RSF (\$9,288.40/annum).

\$1.40

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 ~~54.49~~ per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$30.00 per hour per zone
- Number of zones: 1
- \$30.00 per hour for the entire Space

1.16 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to 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 at an annual rate of \$30.00 per ABOA SF, of the area receiving the 24-hour HVAC. 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 (SEP 2012)

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

No additional improvements are required. Within the past two years, the space has had new carpet and paint.