

**LEASE NO. GS-03B-12068**

Standard Lease  
GSA FORM L201C (January 2012)

This Lease is made and entered into between

**100 Independence Mall West LLC**

("the Lessor"), whose principal place of business is **1320 Waldo Avenue, Suite 200, Midland, MI 48642-5898** and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the 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:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**100 Independence Mall West  
Philadelphia, PA 19106-2320**

and more fully described in Section 1 and Exhibit I, together with rights to the use of parking and other areas as set forth herein.

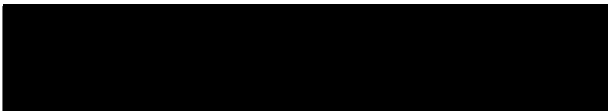
**LEASE TERM**

To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

**15 Years, 10 Years Firm,**

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be 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.

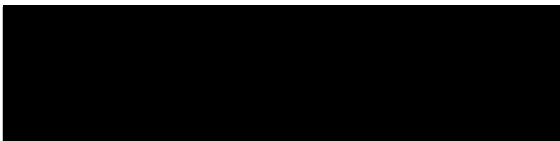


Name: CHARLES B. RENDALL

Title: AUTHORIZED REP

Entity Name: 100 Independence Mall West LLC

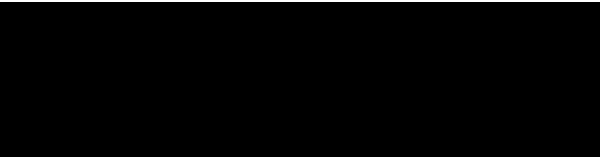
Date: JANUARY 11, 2013



Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 1/14/2013



Title: FINANCE DIRECTOR

Date: JANUARY 11, 2013

**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

**1.01 THE PREMISES (AUG 2011)**

The Premises are described as follows:

A. **Office and Related Space:** 135,715 rentable square feet (RSF), yielding 122,000 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space, located on the 2<sup>nd</sup>, 3<sup>rd</sup>, 4<sup>th</sup>, and 5<sup>th</sup> floors of 100 Independence Mall West, as depicted on the floor plans attached hereto as Exhibit I.

B. **Common Area Factor:** The Common Area Factor (CAF), established as a percentage, is calculated as follows:  $[(135,715 \text{ RSF} / 122,000 \text{ ABOA SF}) - 1]$ . This factor, which represents the conversion from ABOA to rentable square feet, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

**1.02 EXPRESS APPURTENANT RIGHTS (AUG 2011)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. **Parking:** 49 parking spaces as depicted on the plan attached hereto as Exhibit H of which 49 shall be structured inside spaces reserved for the exclusive use of the Government. In addition, the 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 CONSIDERATION (AUG 2011)**

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

	YEARS 1 - 5	YEARS 6 - 10	YEARS 11 - 15
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT	\$ 1,340,864.20	\$ 1,646,222.95	\$ 1,829,438.20
TENANT IMPROVEMENTS RENT <sup>1</sup>	\$ 664,030.94	\$ 884,030.94	\$ 664,030.94
OPERATING COSTS <sup>2</sup>	\$ 1,253,444.45	\$ 1,253,444.45	\$ 1,253,444.45
BUILDING SPECIFIC SECURITY <sup>3</sup>	\$ 22,237.32	\$ 22,237.32	\$ 22,237.32
STRUCTURED PARKING <sup>4</sup>	\$ 199,920.00	\$ 231,762.07	\$ 268,675.76
<b>TOTAL ANNUAL RENT</b>	<b>\$ 3,480,496.91</b>	<b>\$ 3,617,697.73</b>	<b>\$ 4,037,826.67</b>

<sup>1</sup>The Tenant Improvement Allowance of \$6,557,500.00 is amortized at a rate of 6 percent per annum over 15 years.

<sup>2</sup>Operating costs consist of two components, the operating cost base and the electric cost base. The operating cost base of [REDACTED] shall be adjusted annually in accordance with 2.08 OPERATING COSTS ADJUSTMENT (APR 2011). The electric cost base of [REDACTED] shall be adjusted annually in accordance with SECTION 7, "ELECTRIC COSTS ADJUSTMENT." The total annual operating costs are \$1,253,444.45.

<sup>3</sup>Building Specific Security Costs of \$210,600.00 are amortized at a rate of 6 percent per annum over 15 years

<sup>4</sup> Parking shall be provided at a rate of \$340 per parking space per month (structured) with 3% annual escalations throughout the term of the lease including any renewal periods.

\*The Lessor has elected to amortize tenant improvements and building specific security over the full 15 year term of the lease. Should the Government decide to terminate this lease after the 10 year firm term, the Government shall not be responsible for the remaining principal associated with the tenant improvements or building specific security.

In accordance with the lease negotiations, the lessor has offered free rent (net of electric) to the Government for the first 2 months of occupancy. Accordingly, the Government shall pay [REDACTED] per month for the first 2 months of occupancy for electric costs only.

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed **122,000 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. 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 the 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.

F. 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 in "Paragraph 1.01, THE PREMISES" created herein;

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.

G. Parking shall be provided at a rate of **\$340** per parking space per month (structured) with 3% escalations throughout the term of the lease including any renewal periods .

**1.04 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. The Government may terminate up to 15% of the total initial leased space on or after the 5<sup>th</sup> full year of occupancy. The Government shall provide not less than ninety (90) days' prior written notice to the Lessor for the termination of space.

The Government may release parking spaces at any time throughout the term of the lease. The Government shall provide not less than thirty (30) days' prior written notice to the Lessor for the termination of parking.

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. If the Government chooses to terminate space prior to the completion of the firm term of the lease, the Government shall remain responsible for the payment of the tenant improvements associated with the released space. The Government shall have the option of (1) paying the remaining unamortized tenant improvement balance via a lump sum payment or (2) re-amortizing the remaining unamortized tenant improvement balance over the resulting square footage through the remainder of the firm term with the same amortization rate.

**1.06 INTENTIONALLY DELETED**

**1.07 DOCUMENTS INCORPORATED BY REFERENCE (SEPT 2011)**

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

DOCUMENT NAME
RIDER (EXHIBIT A)
AGENCY SPECIAL REQUIREMENTS (EXHIBIT B)
SECURITY REQUIREMENTS (EXHIBIT C)
GSA FORM 3517B GENERAL CLAUSES (EXHIBIT D)
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS (EXHIBIT E)
LEED-CI CREDITS STATEMENT (EXHIBIT F)
SMALL BUSINESS SUBCONTRACTING PLAN (EXHIBIT G)
PARKING PLAN (EXHIBIT H)
FLOOR PLANS (EXHIBIT I)
ASBESTOS MANAGEMENT PLAN (EXHIBIT J)
DESIGN TEAM (EXHIBIT K)

**1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)**

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$53.75 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the full term of this Lease at an annual interest rate of 6 percent.

**1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)**

A. The Government, at its sole discretion, shall make all decisions as to the use of the TI Allowance. 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 shall have the right 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 choose to pay lump sum for any part or all of the remaining unamortized 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 shall have the right to either:

1. Reduce the TI requirements;
2. Pay lump sum for the overage plus interest at a market interest rate agreeable to the Government and Lessor from the time expended by the Lessor during construction until substantial completion of the space, not to exceed 180 calendar days. The Lessor shall receive a lump sum payment along with accrued interest upon substantial completion in accordance with the lease paragraph entitled "Acceptance of Space and Certificate of Occupancy;" or
3. Negotiate an increase in the rent. Additional tenant improvements shall be amortized at an amortization rate mutually agreeable to the Government and the Lessor.

**1.10 TENANT IMPROVEMENT FEE SCHEDULE (AUG 2011)**

For pricing TI Costs as defined herein, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (% OF TI CONSTRUCTION COSTS)	6%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	3%

**1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 2011)**

As of the lease award date, the Government's percentage of occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is 36.25 percent. The percentage of occupancy is derived by dividing the total Government space of 135,715 RSF by the total building space of 374,388 RSF.

**1.12 OPERATING COST BASE (AUG 2011)**

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be [REDACTED]

**1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011)**

In accordance with the section 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 \$2.00 per ABOA SF of space vacated by the Government.

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

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

- \$ 300.00 per hour per zone.

**1.15 24-HOUR HVAC REQUIREMENT (APR 2011)**

The hourly overtime HVAC rate specified above shall not apply to the areas required to have heating and cooling 24 hours per day which shall not exceed 2,000 ABOA SF. All electric costs associated with the aforementioned areas shall be subsumed in the operating rent.

**1.16 ADDITIONAL BUILDING IMPROVEMENTS (AUG 2011)**

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire Protection and Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space:

Any improvements required in this lease or its attachments. These improvements include but are not limited to:

- All response actions identified in the attached Asbestos Management Plan dated September 5, 2012 (Exhibit J) pertaining to controlling the exposure of asbestos containing materials.
- Upgrading voice enunciator systems.
- 2 new Variable Speed Drive chillers (650 ton McQuay chillers)
- 2 new Variable fan Speed Baltimore Air Coil cooling towers.
- Various Variable Speed Drive condenser and chilled water pumps
- Existing Air handling Unit motors were already upgraded to EPAC high efficiency levels with VFD compatible winding insulation. Rockwell International Variable Frequency Drives will be installed.
- New digitally controlled VAV air distribution boxes in Government occupied spaces.
- New Building Automation Control system. The upgraded system will have digital control of space VAV boxes, AHU's VFD's as well as demand limiting controls for the chillers.

**1.17 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.