

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

12/29/09

LEASE NO.

LIN18401

THIS LEASE, made and entered into this date by and between

whose address is
Starwood Properties, LLC
294 Joliet Road
Valparaiso, IN 46385-9342

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:

20,687 BOMA usable square feet (21,628 rentable) of ground floor office space, in a single story building, along with 108 on-site surface parking spaces on approximately 3.83 acres of land for the exclusive use of the Government, all located at 1222 Eastport Centre Drive, Valparaiso, IN, 46383-8427 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 LIN18401, 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 September 1, 2010 through August 31, 2025, subject to termination and renewal rights as may be hereinafter set forth. The commencement date of September 1, 2010 is an estimated beginning date. The actual commencement date will be established as an amendment to the lease by a Supplemental Lease Agreement if necessary. The lease will then be in effect for 15 years, 10 years firm. The Government may terminate this lease at any time after August 31, 2020 by giving at least 180 days advance notice in writing to the Lessor, and no rental shall accrue after the effective date of termination.

3. The Government shall pay the Lessor annual rent for the first 120 months of the lease term of \$906,853.91 at the rate of \$75,571.16 per Month in arrears. Rent consists of \$67,317.15 per month for shell/base rent, operating expenses and real estate taxes, and \$8,254.01 per month for \$683,279.81 of Tenant Improvements, which were amortized over 120 months at an annual interest rate of 7.9%. The government will make a lump sum payment of up to \$126,370.47 at the start of the lease term as a Tenant Improvement buy down as described in Section 3.0, Paragraph 3.3 A. 2 of the Solicitation For Offers. Rent for a lesser period shall be prorated.

The Government shall pay the Lessor annual rent for months 121 through month 180 of the lease term of \$872,473.53 at the rate of \$72,706.13 per month in arrears. Rent will consist of \$57,133.97 per month for shell/base rent and \$15,572.16 per month for operating expenses and taxes.

In Section 3.2, TENANT IMPROVEMENTS INCLUDED IN OFFER, the Lessor agrees to provide up to \$39.138120 per ANSI/BOMA usable square foot toward the cost of the tenant improvements defined in Attachment # 2. In the event the tenant improvement cost is less than the amount provided above, Lessor agrees as outlined in Section 3.0 Paragraph 3.3 TENANT IMPROVEMENT RENTAL ADJUSTMENT, to refund such difference in the form of a reduction of the tenant improvement portion of the rental using a 7.9% amortization annual interest rate over 120 months. The Government and Lessor agree that the final Tenant Improvement costs will be stated in a Supplemental Lease Agreement. Rent checks shall be made payable to:

Starwood Properties, LLC
294 Joliet Road
Valparaiso, IN 46385-9342

~~4. The Government may terminate this lease at any time on or after by giving at least 60 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 the following terms and at the following rentals, provided notice be given in writing to the Lessor at least ___ 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. LIN18401 including the attachments to the lease referenced in Paragraph 7 below, including but not limited to providing at least 108 on-site parking spaces 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 23 of this lease on pages 3 through 4;
 - (B) Exhibit A Davis Bacon Wages dated 7/17/2009 consisting of 21 pages;
 - (C) Exhibit B1 Site Plan and Exhibit B2 Floor plan and Exhibit B3 Building Elevations;
 - (D) Solicitation for Offers (SFO) No. LIN18401 dated 8/10/2009, pages 1 through 53;
 - (E) Attachment No 1: Lease Costs Breakdown Summary consisting of 2 pages;
 - (F) Attachment No. 2: Definitions of Shell and Tenant Improvement consisting of 4 pages;
 - (G) Attachment No. 3: General Requirements consisting of 11 pages;
 - (H) Attachment No. 4: Document Security Form consisting of 3 pages;
 - (I) Attachment No. 5: Pre-Lease Fire protection and Life Safety Evaluation consisting of 4 pages;
 - (J) GSA Form 3516A (REV. 12/03) consisting of 6 pages;
 - (K) GSA Form 3517B (REV. 11/05) consisting of 33 pages;
 - (L) GSA Form 3518 (REV. 1/07) consisting of 7 pages.

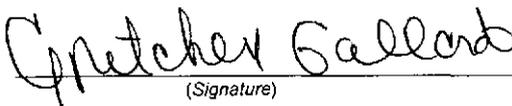
8. The following changes were made in this lease prior to its execution:

Paragraphs 4 and 5 of Standard Form 2 have been deleted in their entirety.

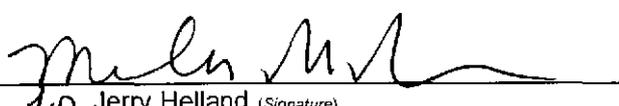
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Starwood Properties, LLC

BY  Member
 (Signature) Patrick J. Schacki, Member (Signature)

IN PRESENCE OF:
 [Redacted]
 (Signature) (Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY  Contracting Officer
 Jerry Helland (Signature) (Official title)

9. The date of this lease is the date this contract was formed as a result of the Government's acceptance of the Lessor's Best and Final Offer dated November 2, 2009 submitted by the Lessor under SFO LIN18401. This lease reflects the terms and conditions of the accepted Best and Final Offer.
10. The anniversary date for annual escalations and operating cost adjustments will be revised based upon the actual commencement date, which will be established as an amendment to the lease by a Supplemental Lease Agreement as stated in the above Paragraph 2.
11. The Lessor will construct and build out the space per the requirements in the SFO LIN18401 and its attachments, so as to be ready for occupancy no later than 270 calendar days after September 1, 2010. The Government shall deliver layout drawings and necessary finish selections to the Lessor within 120 working days from award. As of the date on this SF-2, the Lessor has submitted CAD files of the demised area.
12. The total BOMA usable square foot area referred to in Paragraph 1 is subject to adjustment but may not exceed the maximum limitation nor the minimum usable requirement defined in the Solicitation for Offers. Should there be any adjustments in the square footage delivered that has been determined through mutual field measurement, the per annum rental referred to above shall be adjusted on the basis of \$44.71 per BOMA usable square foot. For years 1 through 10 and \$42.17 for years 11 through 15. If necessary, the lease shall be amended by Supplemental Lease Agreement after actual field measurement is performed in order to establish the square footage and annual rental in compliance with the terms of the lease. Should the leased space offer more than the maximum usable square footage required under SFO LIN18401, the Government will not adjust the annual rental for any usable square footage above the maximum usable square footage. Should the leased space not offer the minimum usable square footage required in SFO LIN18401, this lease may be declared null and void by the Government, with no further obligation on the part of either party.
13. The rent is subject to annual operating cost adjustments in accordance with SFO Section 3.0, Paragraph 3.7 OPERATING COSTS (AUG 2008) of Solicitation for Offers LIN18401 within this lease. It is understood and agreed that for operating cost adjustment purposes, the first year's operating cost base will be \$121,981.92, which is approximately \$5.90 per BOMA usable square foot.
14. It is understood and agreed that for real estate tax adjustment purposes, in accordance with Section 4.0, Paragraph 4.2 TAX ADJUSTMENT (AUG 2008) (A through D) of Solicitation for Offers LIN18401 within this lease, the Government will occupy 100 percent of the net usable square foot area of the entire building. The Lessor estimated \$64,884 for the first year, fully assessed real estate taxes which is included in the annual rental as stated in this SF-2. The Identification Number for the Real Estate Parcel occupied under this lease is 1029 10200 1000029.
15. 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 \$17.00 per hour.
16. 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.
17. 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.
18. The Government shall have total flexibility in the layout of the interior office space including the placement of all [REDACTED] and Lessor's rooms (i.e. the mechanical room, janitor closets, etc, public and employee restrooms and drinking fountains). The Lessor acknowledges that the Government will

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supply the Lessor with approved interior space plans for the Lessor to use to develop his construction plans.

- 19. 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.
- 20. Attached to this lease are the Department of Labor wage labor rates for Porter County consisting of 21 pages. As required by Section 1.0. Paragraph 1.12, LABOR STANDARDS (AUG 2003) of the Solicitation for Offers LIN18401, which is made part of this Lease, the Lessor is required to pay current prevailing wage rates established for the construction area, as determined by the Department of Labor. It is the Lessor's responsibility to determine what the current wage rates are at the time of construction in the area of the construction from the Department of Labor and to use those rates to comply with Section 1.0, Paragraphs 1.12 of the Solicitation for Offers LIN18401.
- 21. 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.
- 22. If the property housing the leased premises is sold or transferred, the following information is required before the Government can acknowledge the successor in interest and change the payee for rent or other payments:
 - (I) Evidence of the transfer of title.
 - (II) A letter from successor Lessor (transferee) assuming, approving, and adopting the lease and agreeing to be bound by its terms.
 - (III) A letter from prior Lessor (transferor) waiving all rights under the lease as against the United States of America, except unpaid rent through a specified date, usually the date of ownership transfer.
 - (IV) The IRS tax identification number of the new owner.

Where leased premises are transferred by death of the Lessor, a copy of the letters of administration when there is no will, showing the Lessor(s), is required. Unless an interim court order is received, rents will be accrued and paid to the new owner(s) upon final settlement of the estate.

- 23. The Lessor's DUNS Number is 780212002 and Tax ID Number is [REDACTED]

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