

FACILITIES SERVICE AGREEMENT

SANDWICH DEVELOPMENT PARTNERS, LLC

This Facilities Service Agreement (“Agreement”) is made as of **April 5, 2017**, by and between Sandwich Development Partners, LLC, an Illinois limited liability company (“Owner”) and Waveland Property Group, Inc. (“Manager”), with reference to the following facts:

- A. Owner is the fee simple owner of the improvements located at **1310 N. Main St. Sandwich, IL**, commonly known as the **Valley West Medical Office Building** (the “Property”), containing approximately 38,415.00 rentable square feet.
- B. Manager represents that it is in the business of managing properties similar to the Property and possesses the skills and experience necessary for the efficient, professional management of the Property.
- C. Owner desires to engage the services of Manager in connection with managing the Property and Manager desires to provide such services to Owner.

Now, therefore, in consideration of the following promises, obligations and agreements, Owner and Manager agree as follows:

ARTICLE I - BASIC TERMS

- 1.1 Effective Date: Manager’s appointment under Article II shall become effective as of **May 1, 2017** (the “Effective Date”).
- 1.2 Term: The term of this Agreement shall commence on the Effective Date and shall continue for an initial period of thirty-six (36) months (the “Initial Term”) up to and including **April 30, 2020**, subject at all times to the rights of termination set forth in Section 11.1. From and after the Initial Term, the term of this Agreement shall continue on a month-to-month basis, subject at all times to the rights of termination set forth in Section 11.1. Upon termination of this Agreement, each party promptly shall pay to the other, as soon as the same is determinable after the effective date of termination, all amounts due such other party under the terms of this Agreement. On or before the effective date of termination, Manager shall deliver to Owner the originals of all books, permits, plans, records, leases, licenses, contracts and other records and documents pertaining to the Property and its operation which are in Manager’s possession. Manager further agrees (at no cost or expense to Owner) to do all other things reasonably necessary to cause an orderly transition of the management of the Property without material detriment to the rights of Owner or to the continued management of the Property. Also upon termination, Manager shall deliver to Owner:
 - (i) all keys to any locks, log-in and passwords to computers, building maintenance system, building monitoring system on or to the Property then in the possession or control of Manager.
- 1.3 Limit on Non-Emergency Purchases and Repairs; Contract Amount Requiring Owner Approval. Except for amounts contemplated in any Approved Budget (as defined herein) the limit on the amount Manager may incur for non-emergency purchases or repairs under Section 4.4 is two thousand five hundred and 00/100 Dollars (\$2,500.00). Notwithstanding any approved expenditures in the Approved Budget, Owner’s prior written approval is required under Section 4.5(b) of any contract for more than five thousand dollars and 00/100 Dollars (\$5,000.00).

- 1.4 Address of Owner. Unless changed by written notice to Manager, the address of Owner for notices under Section 12.1 shall be:

Sandwich Development Partners, LLC
c/o Physicians Realty L.P.
309 North Water Street, Suite 500
Milwaukee, WI 53202
Attention: Asset Management

with a copy to:

Sandwich Development Partners, LLC
c/o Physicians Realty L.P.
309 North Water Street, Suite 500
Milwaukee, WI 53202
Attention: General Counsel

- 1.5 Address of Manager. Unless changed by written notice to Owner, the address of Manager for notices under Section 12.2 shall be:

Waveland Property Group, Inc.
117 West Willow Avenue
Wheaton, IL 60187

Attention: Jonathan Swindle

- 1.6 Management Fee. Subject to Article X, the annual management fee payable to Manager for its services under this Agreement shall be an amount equal **four percent** (4.00%) of the Gross Receipts of the Property. "Gross Receipts" is hereby defined to be the total of all sums actually collected as rent pursuant to leases of space (the terms "leases" shall mean written tenancy arrangements of any kind, irrespective of the term thereof), and the gross amount of all other revenue derived from the Property and actually received. Gross receipts does not mean or include payment by tenant for leasehold improvements in excess of the project's standards, sums collected or received as proceeds from insurance, any awards in condemnation, awards for damages or other losses sustained by Owner, or security deposits unless and until such deposits are applied as rent.

ARTICLE II - APPOINTMENT

- 2.1 Owner hereby appoints Manager as the manager for the Property as of the Effective Date, and for the term stated in Section 1.2. Owner hereby authorizes Manager to exercise such powers and to take such actions with respect to the Property as may be necessary for the performance of Manager's obligations under this Agreement. Manager hereby accepts such appointment on the terms and conditions hereinafter set forth.
- 2.2 The services of Manager in performing its duties and providing services pursuant to this Agreement shall be as an independent contractor for the account of Owner. Owner shall be responsible for all costs, expenses, and disbursements incurred by Manager according to the terms of this Agreement and

consistent with the Approved Budget in managing the Property. Manager will not incur any expenses or make any expenditures that are not consistent with the limitations of the Approved Budgets without the prior written approval of Owner, except as otherwise expressly provided in this Agreement. Under no circumstances shall Manager be required to advance funds from its own account for the operation, leasing, maintenance, repair or management of the Property, and Owner shall promptly reimburse Manager if it does advance such funds for any expenses incurred in accordance with this Agreement.

ARTICLE III – LEASING

- 3.1 Leases and Lease Commissions. Manager is not engaged pursuant to this Agreement to act as leasing agent for the Property. Nothing in this Agreement shall preclude such engagement pursuant to separate written agreement. Manager may be requested by Owner to assist with showing available space to prospective tenants.

ARTICLE IV - DUTIES OF MANAGER

4.1 General Duties.

- (a) Manager, on behalf of Owner, shall use diligent efforts to manage and operate the Property consistent with the Approved Budget and shall comply with Owner's instructions as set forth herein or as may from time to time be provided in writing by Owner to Manager. Manager shall perform its services in a professional and diligent manner and shall manage and supervise the operation, repair, maintenance, and servicing of the Property consistent with industry standards in the locale where the Property is located, including without limitation interior cleaning and janitorial services, repairs to improvements, roofs, exterior grounds, landscaping, parking and common areas, maintenance of mechanical systems and equipment, safety and security of tenants; provided, however, that notwithstanding anything to the contrary in this Agreement (including any addendum thereto), at the direction of Owner, Manager will use its best efforts not to perform services with respect to the Property that could result in "impermissible tenant service income," within the meaning of Section 856(d)(7) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations promulgated thereunder, to Owner if such services were performed by Owner, including but not limited to services which are primarily for the convenience of a Tenant and not customarily provided by lessors of similar properties in the surrounding geographic area as the Property. Manager shall use Due Care (defined below) in all aspects of its duties, obligations, liabilities, powers and authority under this Agreement. Furthermore, Manager shall materially perform all acts commercially and reasonably necessary or commercially and reasonably desirable for the operation and profitability of the Property. In connection therewith, Manager shall conduct the ordinary and usual business affairs of Owner relating to the Property as provided in this Agreement and shall implement, or cause to be implemented, the Owner's decisions as communicated to Manager in writing. Manager shall, through its employees and/or independent contractors in accordance with standard practice in the applicable area of the Property, provide regular and systematic inspections of the Property as directed by Owner, including, without limitation, the improvements, roofs, tenant premises, exterior grounds, landscaping, parking and common areas, and mechanical systems and equipment, and shall regularly review Tenant maintenance records, in order to properly maintain the Property. In particular, Manager shall have the duties and obligations set forth hereafter in this Article IV.
- (b) "**Due Care**" means, collectively, the following: (i) to act in good faith, in the best interests of the Property, for the exclusive benefit of Owner, in compliance with the terms of this Agreement, with the care, skill, prudence and diligence (including diligent inquiry) consistent with first-class professional real estate management and the requirements of this Agreement; (ii) to discharge

one's duties with respect to the Property solely in the interest of Owner for the exclusive purpose of providing benefit to the Property and Owner and, wherever reasonably possible, defraying reasonable expenses of Owner in connection with the Property; (iii) to not cause Owner to engage in a transaction one knows, or should know, constitutes a direct or indirect sale or exchange, or leasing of any portion of the Property, or the provision of goods, services, or facilities in connection with the Property for less than adequate consideration; (iv) to use commercially reasonable efforts to keep abreast of changes in governmental requirements and governmental authorizations; (v) to not do any of the following: (A) except as expressly set forth herein, deal with the assets of Owner for one's own interest or for one's own account, (B) except as expressly set forth herein, act in any transaction involving Owner on behalf of a party, or represent a party, whose interests are adverse to the interests of Owner, (C) receive any consideration (excluding business gifts valued at less than \$50) for one's own account from any party conducting business with Manager or Owner in connection with a transaction involving the assets of Owner.

- (c) If Manager is presently or will at any time in the future be managing, operating, maintaining or leasing other properties or buildings which may compete with the Property, Manager shall nevertheless manage, operate and maintain the Property with the same level of effort and diligence that it would employ if the Property were the only property being managed, operated, maintained or leased by Manager.
- (d) Manager shall consider and advise Owner from time to time as to suggested appropriate or desirable rules and regulations or any additional rules and regulations for the better or more efficient management, operation and maintenance of the Property.

4.2 Utility and Service Contracts. To the extent practicable or requested by Owner, Manager shall negotiate contracts on behalf of Owner for gas, electricity, water, telephone, trash collection, sewer, elevator service, landscaping, janitorial service, security service and such other services as are, or will be, furnished to the Property for terms of not greater than one year, unless otherwise approved by Owner. All such service contracts shall be entered into by Manager for the account of and in the name of Owner and shall be terminable on 30 days' notice or less, unless otherwise approved by Owner in writing. Manager shall use Owner standard form Service Agreement for all service contracts.

4.3 Employment of Personnel.

- (a) All persons employed in connection with the operation and maintenance of the Property shall either be employees of Manager or such vendors, consultants or independent contractors (including any designated subsidiary or affiliate of Manager) as may be retained by Manager and shall not be employees of Owner. Manager shall select, employ, pay, supervise, direct and discharge all employees necessary for the management of the Property, and shall use reasonable care in the selection and supervision of such employees. Manager shall negotiate with any union lawfully entitled to represent such employees and shall execute in its own name, and not as agent for Owner, any collective bargaining agreements or labor contracts resulting therefrom. Manager shall be responsible for complying with all laws, regulations and collective bargaining agreements affecting such employment, subject to limitations imposed by Owner. Manager is and will continue throughout the term of this Agreement to be an Equal Opportunity Employer. Manager shall directly control the time and manner of the work and services to be performed by the employees of Manager, and Manager shall comply with all applicable federal, state and local laws, ordinances and regulations applicable to such employees. If requested by Owner, Manager and each of the employees of Manager who handles or who is responsible for handling Owner's monies shall be bonded by a fidelity bond (commercial blanket) in favor of, and in an amount specified by Owner, issued by a company and in form reasonably acceptable to Owner, the original of which bonds shall be promptly delivered to Owner. Manager shall make and bear the

costs of all necessary payroll deductions for disability and unemployment insurance, social security, withholding taxes and other applicable taxes, and prepare, maintain and file all necessary reports with respect to such taxes or deductions, and all other necessary statements and reports pertaining to labor employed in or about the Property. Manager shall indemnify, defend and hold Owner harmless for, from and against any and all claims of Manager's employees claiming violations or other breaches of this Section 4.3, and such costs (including but not limited to any penalties, fines or similar exactions imposed upon Manager for such violations or breaches) shall be borne solely by Manager and shall not be reimbursed or reimbursable by Owner.

- (b) Personnel employed for the Property, if any, are employees of Manager and, all wages, salaries and other compensation, including fringe benefits, paid to or on behalf of such on-site personnel by Manager shall not be considered operating expenses of the Property and reimbursable by Owner. *Notwithstanding the foregoing*, Owner agrees to reimburse Manager as defined in Exhibit A (pro-rated for any partial month of ownership) to offset Manager's costs of employing property management personnel dedicated to the Property. Such reimbursement shall be considered an operating expense of the Property and included as an administration expense in the annual Budget.
- (c) This Agreement is not one of agency by Manager for Owner but one with Manager engaged in the business of managing properties on its own behalf as an independent contractor. All employment arrangements are therefore solely Manager's concern and Owner shall have no liability with respect thereto. Notwithstanding the foregoing, Owner shall be provided with no less than ten (10) days advance notice of any proposed change in property management staffing. Such notice shall include information regarding the background, skills and experience of the proposed replacement staff. The provisions of this Section 4.3 shall not apply to personnel employed by third party vendors, suppliers or contractors of the Property.

4.4 Maintenance and Repairs.

- (a) Subject to the Approved Budget, Manager, at Owner's expense, shall perform or cause to be performed under contract or agreement with contractors, subcontractors, or consultants, entered into in the name and on behalf of Owner, all ordinary maintenance, repairs, alterations, replacements and installations, all decorating and landscaping, and purchase all supplies necessary for: (i) the proper operation of the Property; (ii) the fulfillment of Owner's obligations under any lease of space in the Property; (iii) the fulfillment of Owner's obligations under any mortgage encumbering the Property, provided Owner gives Manager reasonable advance written notice of such mortgage obligations, and (iv) compliance with covenants, conditions and restrictions affecting the Property, provided Owner gives Manager written notice of such covenants, conditions and restrictions, and further provided Manager shall not make any purchase or order any work costing more than the limit on the amount authorized for non-emergency purchases and repairs set forth in Section 1.3 without Owner's prior written approval, except as permitted under the Approved Budget or in circumstances reasonably deemed by Manager to be an emergency requiring immediate action for the protection of the Property or tenants or other persons or to avoid the suspension of necessary services but Manager shall notify Owner of such emergency repairs and the cost thereof as soon as possible. Manager shall promptly notify Owner of the necessity for, the nature of, and the cost of such emergency repairs or compliance. Manager shall submit to Owner and maintain a list of all contractors and subcontractors that perform any work, repairs, alterations, replacements or services on the Property under Manager's direction. All repairs, alterations and replacements shall be of at least equal quality and workmanship to the original work, subject to the requirements of the Approved Budget and Owner's authorization and in material accordance with any commercially reasonable written

standards delivered by Owner to Manager on or prior to the date hereof. Manager shall additionally take such actions as are necessary to maintain all applicable warranties and guarantees from third parties in full force and effect, provided that Owner has provided Manager copies thereof. Manager shall promptly, but in no event later than twenty-four (24) hours from the time Manager learns of any such emergency, notify Owner of any such emergency by telephone and by e-mail with detailed information describing the event. Promptly thereafter, Manager shall send Owner a written notice setting forth the nature of the emergency and any action taken in connection therewith.

- (b) Subject to the Approved Budget and Owner's written constraints set forth in such Approved Budget (or as an addendum thereto), Manager shall obtain all necessary receipts, releases, waivers, discharges and assurances necessary to keep the Property free of any mechanics', laborers', materials suppliers' or vendors' liens in connection with work, materials or supplies for which Manager contracts. All such documentation shall be in such form as specified and reasonably required by Owner.
- (c) Insofar as any of the following enumerated matters relate to or affect the title to, or the condition, use or occupancy of, the Property, unless Owner has affirmed its intention to contest same (in which event Manager shall participate in such contests to the extent required by Owner and at Owner's sole expense), Manager shall, at Owner's expense, comply with and cause the Property to be kept, maintained, used and occupied in material compliance with the following, as now or hereafter in effect: (i) all applicable laws, statutes, and ordinances; (ii) all applicable rules, regulations, and orders of any governmental authority (specifically including, but not by way of limitation, applicable environmental laws, regulations and orders, building codes and fire regulations); (iii) any directive or occupancy certificate issued pursuant to any law, regulation or rule by any public officer; (iv) the provisions of any fire and casualty insurance policy or policies insuring Owner's interest in the Property (so as to not materially and adversely affect the insurance coverage or increase the premium rate therefor); and (v) the provisions of any lease, mortgage, agreement or other instrument affecting the Property, including, without limitation, any recorded covenants or restrictions.

4.5 Contracts with Third Parties.

- (a) Manager shall monitor all independent contractors, consultants, suppliers and entities retained in Owner's name by for the operation, repair, maintenance and servicing of the Property or for any other activity within the scope of this Agreement. All of such contractors and the contracts of their engagement shall be subject to Owner's specifications. Manager shall require that any contractor performing work on the Property maintain insurance satisfactory to Owner, as specified in Article 7.1. (e), including, but not limited to, Workers' Compensation Insurance (and, when required by law, compulsory Non-Occupational Disability Insurance) and insurance against liability for injury to persons and property arising out of all such contractor's presence upon the Property, operations and completed operations naming Manager, Owner and Owner's Representative (if applicable) as additional insureds. Manager shall obtain certificates of insurance for all such insurance before the work begins. Manager shall furnish copies of the certificates to Owner.
- (b) Notwithstanding the foregoing, Manager shall not execute, or otherwise enter into or bind Owner with respect to any contract or agreement for equipment, supplies, services or any other item where the aggregate amount of such contract is in excess of Three thousand five hundred and 00/100 Dollars (\$3,500.00) without obtaining competitive written bids and Owner's written consent. Manager shall not engage Owner in any contract or agreement for more than the amount specified in Section 1.3 without Owner's prior written approval unless provided in the Approved

Budget for the Property. All contracts, agreements or other arrangements made pursuant to this Agreement shall be in the name of Owner, and unless otherwise approved by Owner, shall be terminable on 30 days' notice or less.

- 4.6 Purchase of Supplies and Materials. Manager shall, on behalf of Owner purchase all equipment, tools, appliances, materials and supplies reasonably necessary or desirable for maintenance and operation of the Property in a high-quality, first class matter. All such purchases which exceed one thousand five hundred and 00/100 Dollars (\$1,500.00) shall be subject to the prior review and written approval of Owner if such purchases are not included in the current Approved Budget. Contracts for all such purchases, which are included in the Approved Budget or are otherwise approved by Owner, shall be on purchase forms approved by Owner and shall be in the name of the Owner. Such purchases shall be used solely in connection with the operation and maintenance of the Property. In connection with the performance of its duties pursuant to this Section 4.6, Manager shall use its best commercial efforts to qualify for any cash and trade discounts, refunds, or credits and which, if they are in the form of cash, shall be deposited in the Bank Account. If Owner is entitled to discounts from contractors and suppliers under any national or regional agreements, Manager shall avail itself of such national or regional agreements whenever possible. Notwithstanding the foregoing, Manager shall be entitled to retain any transaction fees received from, and/or the benefit of any equity interest held in, such suppliers provided that such fees or equity interests do not result in any increased cost to Owner for such supplies or materials.
- 4.7 Contracts with Affiliated Entities. Manager may, upon prior written notice to Owner, purchase materials, tools or supplies or contract for repair, construction or any other service for the Property pursuant to Sections 4.2, 4.3, 4.4 or 4.6 with a party in which Manager (or any subsidiary, affiliate or related entity) holds a beneficial interest provided that the pricing for such materials or services does not exceed the cost of such materials or services commonly charged in the area where the Property is located.
- 4.8 Complaints and Notices.
- (a) Manager shall promptly handle complaints and requests from tenants, concessionaires and licensees and notify Owner of any major complaint made by a tenant, concessionaire or licensee. Manager shall notify Owner promptly of: (i) any written notice received by Manager or known to Manager of violation of any governmental requirements (and make recommendations regarding compliance therewith); (ii) any written notice received by Manager or known to Manager of violation of covenants, conditions and restrictions affecting the Property or noncompliance with loan documents affecting the Property, if any; (iii) any fire, accident or other casualty or damage to the Property; (iv) any condemnation proceedings, rezoning or other governmental order, lawsuit or threat thereof involving the Property known to Manager; (v) any violations relative to the leasing, use, repair and maintenance of the Property under governmental laws, rules, regulations, ordinances or like provisions known to Manager; (vi) defaults under any leases or other agreements affecting the Property that are known to Manager and which have not been cured; or (vii) any violation of any insurance requirement. Manager shall promptly deliver to Owner copies of any documentation in its possession relating to such matters. Manager shall keep Owner reasonably informed of the status of the particular matter through the final resolution thereof. Manager shall be responsible for the giving of all notices and statements required to be given to Tenants under Leases and to contractors and vendors under contracts and agreements relating to the services and for the giving of all other notices necessary to accomplish efficient management, operation and maintenance of the Property. In the event Manager becomes aware of any fire or other damage to the Property or violation or alleged violation of laws respecting hazardous materials, Manager shall immediately give telephonic notice thereof to Owner. Manager shall complete all necessary and customary loss reports in connection with any fire or other damage to the Property. Manager shall retain in the records it maintains for the Property copies of all supporting documentation with reference to such notices.

- (b) Manager shall promptly notify Owner and any insurance agent Owner may designate of any personal injury or property damage occurring to or claimed by any tenant or third party on or with respect to the Property. Manager shall promptly forward to Owner with copies to any insurance agent Owner may designate any summons, subpoena or other legal document served upon Manager relating to the actual or alleged potential liability of Owner, of Manager or of the Property.
- (c) Should any claim, demand, suit or other legal proceeding be made or instituted by any third party against Owner which arises out of any matters relating to the Property, this Agreement or Manager's performance hereunder, Manager shall give Owner all pertinent information, and reasonable assistance subject to Section 6.1(g) below, in the defense or other disposition thereof.

4.9 Tenant Insurance Certificates. Manager shall use commercially reasonable efforts to obtain from all tenants certificates of insurance and renewals thereof required to be furnished by the terms of their leases as may be requested by Owner. Manager shall forward copies of the certificates to Owner for all renewals. Manager shall establish systems and procedures to enforce lease requirements with regard to insurance certificates.

4.10. Compliance with Laws. Subject to the other provisions of this Agreement, at Owner's expense, Manager shall use reasonable efforts to cause the Property to comply with federal, state, and municipal laws, and all known ordinances, regulations and orders (collectively, "Laws") relative to the leasing, use, operation, repair and maintenance of the Property and with the rules, regulations or orders of the local Board of Fire Underwriters or other similar body. Manager shall use reasonable efforts to remedy the violation of any such Laws, rules, regulations or orders of which it has actual knowledge and which violation occurs after the date hereof, at Owner's expense. Expenses incurred in so complying and in correcting any such violation shall be included in the Approved Budget or otherwise approved in advance by Owner. At Owner's expense, and if requested in writing by Owner, Manager shall use reasonable efforts to comply with all terms and conditions contained in any ground lease, mortgage, deed of trust or other security instruments affecting the Property of which Manager has actual knowledge, and for remedying any breach thereof. Notwithstanding the foregoing, however, Manager's responsibilities under this Section shall not extend to matters as to which the expenditure of Owner's funds is required but disapproved by Owner or such funds are not made available by Owner.

4.11 Property Review, Tax Review and Other Programs.

- (a) Manager shall cooperate with appraisers and consultants retained by Owner to evaluate the Property or to appeal assessed values as part of Owner's tax review program, but Manager shall not be responsible for such undertakings. Manager, upon request from Owner, shall promptly furnish Owner with copies of all assessment notices and receipted tax bills. Manager shall make recommendations to Owner with respect to all such matters, provide notices or other information relating to such matters promptly to Owner including, but not limited to, the general dates for such payments, contests or appeals to be timely, and general information related to proposed actions by others of which Manager has actual knowledge without duty of investigation and which might materially and adversely affect the Property.
- (b) Manager shall comply with Owner's energy conservation and hazardous materials policies, if any, and submit energy consumption and hazardous materials reports for the Property in accordance with Owner's program for energy and hazardous materials audits and reviews. Property Manager shall not cause or knowingly permit any hazardous materials to be deposited, stored, disposed, placed, generated, manufactured, buried, refined, transported, treated, discharged, handled or located on the Property except for the Authorized Activities (as defined

below). Owner authorizes Manager to allow the following (collectively, "Authorized Activities"): Tenants and contractors engaged in performing services at the Property may use or store hazardous materials where such hazardous materials are reasonably required for, and are in quantities appropriate to, Tenant's business or the performance of the contractor's work, and the use and storage of such hazardous materials is in conformity with all applicable governmental requirements and Laws, including those above ground storage tanks currently situated on the Property as required for the operation of Tenant-owned generators. In the event of any deposit, spill, release or discovery of hazardous materials in violation of governmental requirements or laws, Manager shall cooperate with Owner in developing and implementing a course of action to respond to such situation.

4.12 Licenses and Authorizations.

- (a) Manager shall obtain and keep in full force and effect all licenses, permits, consents and authorizations as may be necessary for the maintenance, operation, management, repair, servicing or occupancy of the Property. All of such licenses, permits, consents and authorizations shall be in the name of Owner, if required in writing by Owner.
- (b) Manager shall obtain and keep in full force and effect all real estate and business licenses and governmental authorizations, at Owner's expense, (including qualifications to do business) as may be necessary for the proper and legal performance by Manager of its duties and obligations under this Agreement. All such licenses and authorizations shall be in the name of Manager.

4.13 Other Duties. Subject to the Approved Budget and the terms of this Agreement, Manager shall, at Owner's expense, perform all other services, which are necessary and appropriate to manage, operate and maintain the Property. Manager will perform all of its duties under this Agreement with the care, skill, prudence and diligence under the circumstances then prevailing appropriate for the person professionally engaged in the management of commercial real estate comparable to the Property.

4.14 Confidentiality. Manager shall hold in confidence and not use or disclose to others any confidential or proprietary information of Owner which is disclosed to Manager, including but not limited to any data, information, plans, programs, processes, costs, or operations of Owner, provided, however, that Manager's obligations hereunder shall not apply if such information: (a) is available to the general public or known within the real estate industry; or (b) is required to be disclosed pursuant to law, court order or subpoena; or (c) as necessary to perform its obligations under this Agreement.

4.15 Asbestos and Similar Compliance Matters. If the Property is subject to the Occupational Safety and Health Administration's regulations relating to asbestos, or to any state law or regulation relating to asbestos, or to any state law or regulation relating to carcinogenic or toxic chemicals. Manager shall, at Owner's expense and at the direction of Owner, engage professionals to comply with such laws and regulations as they relate to the Property.

4.16 Force Majeure; Cure Rights. The obligations of Owner and of Manager under this Agreement (except the obligation of Owner to provide funds to Manager for the timely payment of fees and expenses of Manager and expenses of the Property to be paid by Manager on behalf of Owner pursuant to this Agreement) shall be excused for that period of time that Owner or Manager, as applicable, cannot fulfill such obligations by reason of delays beyond its control, including without limitation acts of God, inclement weather, war, insurrection, terrorists acts, labor strikes, inability to obtain necessary materials or supplies, inability to obtain necessary permits, licenses or approvals, or any other event commonly included within the definition of force majeure.

- 4.17 Limitation of Authority. Notwithstanding any provision of this Agreement to the contrary, Manager shall not, without the prior written approval of Owner or as specifically provided in an approval Budget: (a) execute any contract or make any expenditure, except as specifically provided herein; (b) convey or otherwise transfer, pledge or encumber any property or other asset of Owner; (c) retain attorneys on behalf of Owner; (d) institute or defend lawsuits or other legal proceedings on behalf of Owner; (e) terminate leases (except in accordance with any guidelines approved by Owner for the enforcement of leases); (f) pledge the credit of Owner except in connection with purchases made in the ordinary course of business of operating the Property or as otherwise contemplated by this Agreement; (g) obligate the Owner for the payment of any fees or commissions to any third party, real estate agent or broker; (h) borrow money or execute any promissory note or other obligation or mortgage deed, security agreement or other encumbrances in the name of or on behalf of Owner; (i) execute any lease for space in the Property; (j) record any lease, or any memorandum thereof, or any other document or agreement affecting the Property; (k) file or institute requests for changes in governmental authorizations affecting the Property; or (l) make or offer to make any dedication to the public or to governmental authorities. Manager shall not represent itself as having authority in excess of this Section 4.17, and Manager shall indemnify, defend and hold Owner harmless for, from and against (at Manager's sole cost and expense) any claims against Owner arising out of a breach of this Section 4.17.
- 4.18 Inspection. Owner specifically reserves the right for it and its agents and consultants to enter into and upon the Property at any and all reasonable times during the term of this Agreement for any purpose including, without limitation, examining and inspecting the Property and for the purpose of determining whether Manager has complied with its obligations under this Agreement. No such inspection or failure to inspect shall relieve Manager from its obligations under this Agreement.
- 4.19 Emergency Procedure. Manager will ensure that a complete and current emergency procedure plan is in effect for the Property and that all personnel responsible for the Property are properly trained in such plan's execution in the event of any life safety or environmental emergency. Manager may be required to present such plan and confirm the training required thereby during any performance appraisal of Manager by Owner.
- 4.20 Cooperation with Owner. Without limiting the generality of the foregoing and in addition to Manager's duties hereunder, Manager agrees to lend full assistance to Owner and Owner's designated representatives in the planning, coordination and implementation of the leasing, advertising, publicity and promotion of the Property, to lend full assistance and reasonably cooperate with Owner and Owner's designated representatives in the negotiation and implementation of lease and work letter documentation relating to space in the Property, and to continue to assist and reasonably cooperate with Owner through the date a Tenant enters into occupancy in the Property.

ARTICLE V - BUDGETS, REPORTS, AND OTHER FINANCIAL MATTERS

- 5.1 Budgets and Business Plans. Manager, at its own expense, shall prepare and submit to Owner a proposed operating and capital budget (the "Budget"), in a format reasonably acceptable to Owner, for the operation, repair and maintenance of the Property annually and within 60 days after the Effective Date. Thereafter, on or before the date specified each year by Owner (but not later than November 1st), Manager shall prepare and submit to Owner an updated Budget for the remainder of the current calendar year and a preliminary Budget for the next calendar year followed by a final Budget for the next calendar year, incorporating any changes requested by Owner. Such Budgets shall: (i) be prepared on an accrual basis, as directed by Owner, and (ii) show a month by month projection of, expenses, capital expenditures, reserves, and other non-recurring items. Owner shall notify Manager within thirty (30) days after Owner's receipt of the proposed Budget as to whether Owner approves or disapproves the proposed Budget; if Owner fails to notify Manager within sixty (60) days, then Manager shall notify

Owner in writing that Manager will operate off the prior year's Budget unless Owner approves or disapproves the proposed Budget within five (5) business days of Manager's delivery of such second notice. If Owner fails to notify Manager within such five (5) business days, the prior year's Budget will be deemed approved by Owner (an expressly approved or "deemed approved" Budget is referred to herein as the "Approved Budget"). Manager shall implement the Approved Budget and use its best commercial efforts to ensure that the actual cost of operating the Property shall not exceed the Approved Budget. The Approved Budget shall constitute an authorization for Manager to expend necessary monies to manage and operate the Property in accordance with the Approved Budget and subject to the provisions of this Agreement until a subsequent Budget is approved; the approval of non-recurring costs and capital improvements in the Approved Budget shall constitute an authorization for Manager to collect bids for the expenditure and present a final recommendation to Owner for expenditure of monies to implement such items called for in the Approved Budget. Subsequent to the approval of the Budget by Owner for a particular year, should either Owner or Manager determine that the Budget is not compatible with the then prevailing condition of the Property, Manager shall within thirty (30) days after: (i) receipt of notice of such determination by Owner; or (ii) such determination by Manager, prepare and submit to Owner a revised Budget for the balance of the fiscal year, which revised Budget shall be subject to review and approval by Owner in the same manner and with the same effect as the original Budget. The Budget shall be subject to the prior review and approval of Owner's lender(s) holding a lien on the Property, which Owner shall obtain in the process of setting the Approved Budget.

5.2 Reports. Manager shall, during the term of this Agreement, deliver reports as Owner may reasonably request to Owner relating to the management and operation of the Property for the preceding calendar month as set forth in Exhibit B.

5.3 Records and Duty of Care. Manager agrees, at its sole cost and expense, to keep separate records, either paper or electronic, with respect to the management and operation of the Property, and to retain those records for periods specified by Owner. If accounting services are provided, the accounting method shall be on an accrual basis, unless Owner directs Manager to use a different basis. Such books, records and accounts shall include, without limitation, vouchers, statements, receipted bills and invoices, employment records, documents, notices, agreements, contracts, correspondence, leases, permits, licenses, authorizations, all collections and disbursements related to the Property other business and affairs of the Property within the responsibility of Manager pursuant to this Agreement. Owner shall have the right, during the term of this Agreement, to inspect such records and audit the reports required by Section 5.2 during normal business hours upon reasonable notice. All such records, data, information and documents shall at all times be the property of Owner and shall be delivered to Owner without demand upon termination of this Agreement upon Manager's receipt of a waiver and release of liability signed by Owner.

ARTICLE VI - RESPONSIBILITIES OF OWNER

In order for Manager to set-up and establish operations, Owner shall provide to Manager at Owner's expense such information, documents and certificates regarding the Property as Manager shall reasonably request and as Owner has in its possession, including, but not limited to, the following to the extent available and not already in Manager's possession:

- (a) A current rent roll.
- (b) An operating budget and capital budget for the past and current calendar year.
- (c) Legal descriptions of the Property and any improvements.
- (d) Site plans and specifications.

- (e) An inventory of Owner's personal property at the Property, including all tools, equipment and supplies.
- (f) A list of all vendors.
- (g) All pertinent books and records relating to the, operation and of the Property.
- (h) All third party contracts in force.
- (i) Procedures for reporting claims and evaluating safety and loss prevention conditions.
- (j) A list of the historical common area maintenance charges and operating expenses for the Property.

The above and any and all books and records are and shall remain the property of Owner but shall be made available to Manager for its use and knowledge in assuming the duties and responsibilities of Manager under this Agreement.

ARTICLE VII - INSURANCE

7.1 During the term of this Agreement, Manager shall maintain the following insurance for its business operations:

INSURANCE

LIMITS

Workers' Compensation
And Employers' Liability

Coverage A:

Limits required by statute in the state where the property is located and where any operations relating to this agreement are performed.

Coverage B:

\$500,000 Bodily Injury by Accident (Each Accident)
\$500,000 Bodily Injury by Disease (Policy Limit)
\$500,000 Bodily Injury by Disease (Each Employee)

Commercial
General Liability Insurance

\$1,000,000 per occurrence/ \$2,000,000 aggregate

Automobile (Single Limit
Bodily Injury and Property Damage)

\$1,000,000 Any Auto/Accident
(hired/owned and non-owned)

Professional Liability Insurance

\$1,000,000 each loss and annually in the aggregate
(claims made form).

Fidelity/Commercial Crime

\$250,000 per occurrence.

Upon written request, Manager shall furnish Owner, at the time of execution of this Agreement, certificates of insurance evidencing the insurance coverage required under this Section (d). Such certificates shall be issued by the insurer(s) or its authorized agent(s) and Manager shall provide that Owner will be given thirty (30) days prior written notice of cancellation or 10 days' notice if cancelled for non-payment of premium. All such policies of Manager, except for workers' compensation for Manager's employees directly involved with the operation of the Property (as listed in Exhibit A) shall be at Manager's sole cost. Manager may maintain such coverage through the use of "blanket coverage." In cases where Owner and Manager maintain insurance policies that duplicate coverage for the Property, then Owner's policies shall provide in all respects primary coverage, without regard to any "other insurance" clauses, and Manager's insurance shall be excess and noncontributing insurance. Owner shall be listed as an Additional Insured under Manager's Commercial General Liability policy, but only to the extent of a loss arising from or attributable to Manager's Gross Negligence. The addition of Owner as an Additional Insured under any of Manager's insurance policies shall not obligate Manager to provide Owner a defense or indemnity for claims not covered under any such policy or covered under a policy required to be maintained by Owner.

(e) Contractors' and Subcontractors' Insurance. Manager shall require that each contractor and subcontractor hired to perform work at the Property maintain liability insurance against risk of bodily injury, personal injury, and damage to property of others, and direct damage insurance covering physical damage to personal property belonging or leased or rented to it with terms and in amounts sufficient to pay all incurred liabilities and claim expenses and to replace such personal property in the event of loss, at such contractor's and subcontractor's sole cost and expense. It is understood and agreed by Owner and Manager that, during periods and under circumstances of limited availability and/or competition in the insurance industry, (sometimes known as a "hard insurance market") some of the desirable terms will not be available to otherwise acceptable vendors and contractors. It is Manager's practice to require these terms within the contracts, subcontracts, work orders and purchase orders, and not to alter the terms of such documents, but to grant de facto waivers when the terms cannot be obtained. Manager's objective is to retain the requirements for these coverage extensions within the contract in order to trigger their benefit when such terms again become available. Manager will continue this practice for the benefit of Owner, provided Owner agrees that it will not hold Manager liable for any shortfall in the coverage terms of such contractors, subcontractors or vendors. With that understanding, Manager shall require from contractors, subcontractors and vendors the following insurance, in the following minimum amounts:

INSURANCE

MINIMUM LIMITS

Workers' Compensation	As required by law in the state where property is located and where any operations relating to the contract are located, with waiver of subrogation against Owner and Manager.
Employer's Liability	\$1,000,000 each accident and as to aggregate limits.
Commercial General Liability*	\$1,000,000 per occurrence/\$2,000,000 aggregate
Comprehensive Auto Liability*	\$1,000,000 (any auto/owned/non-owned/hired)

*These coverages shall be primary as to Owner and Manager and will cover Owner and Manager as additional insureds for any allegation, claim, loss, damage, demand, or judgment, or other causes of action arising out of their presence or out of the

contractors' or subcontractor's presence upon or out of operations or operations or work done at the Property by the contractor or subcontractor for or on behalf of Owner and Manager. Owner and Manager shall be named as additional insureds on such all general liability policies both for operations and, to the extent available in the insurance market, for completed operations of the named insured for as long as Owner or Manager may be exposed to loss arising out of such operations. The policies shall be written on an "occurrence" and not "claims-made" form basis. If contractor's work involves hazardous materials or environmental abatement work, contractor will be required to provide evidence of Contractor's Pollution Liability, with Owner and Manager as additional insureds. If the contractor's work involves professional design or engineering, special evidence of design professional liability (also known as E&O) coverage will also be required.

Owner or Manager may require additional coverage if the work to be performed is, in their judgment, sufficiently large or hazardous and may waive certain limits or requirements on a case-by-case basis for incidental or personal service contracts or jobs. Before any work can begin, each contractor or subcontractor will submit Certificates of Insurance and endorsements in form and substance satisfactory to Owner or Manager as evidence of the coverages required. Each liability policy certificate will provide for (i) cross-liability or severability of interests, covering the named insured for any claim brought against it by any of the Additional Insureds; (ii) waiver of subrogation as against Owner and Manager and waiver of any right of contribution from their respective insurers; and (iii) if Contractor's insurance is provided by means of a so-called "blanket policy," the aggregate must apply per project, or per location. Each certificate will bear an endorsement requiring thirty (30) days' prior written notice of cancellation, material alteration, or non-renewal. All such policies shall be issued by insurers with a Best's rating of A-VIII or higher as reported in the most recent Property & Casualty Reports Key Rating Guide edition.

ARTICLE VIII - INDEMNIFICATION AND SUBROGATION

8.1 Indemnification.

- (a) Subject to Section 8.2, Owner shall indemnify, defend (using counsel acceptable to Owner) and hold harmless Manager and its affiliates and each of their respective officers, directors, employees, stockholders, partners, agents, lenders, representatives, and contractors, and each of their respective successors and assigns, from and against any and all liabilities, obligations, claims, losses, causes of action, suits, proceedings, awards, judgments, settlements, demands, damages, costs, expenses, fines, penalties, deficiencies, taxes and fees, (including without limitation the fees, expenses, disbursements and investigation costs of attorneys and consultants) arising directly or indirectly out of or resulting in any way from or in connection with the Property, the management of the Property by the Manager, or the performance or exercise by the Manager of the duties, obligations, powers, or authorities herein, or hereafter granted to the Manager, except for those actions and omissions of Manager in relation to which the Manager agrees to indemnify Owner pursuant to Section 8.1(b).
- (b) Subject to Section 8.2, Manager agrees to indemnify and hold the Owner and its affiliates and each of their respective employees, officers, directors, and agents harmless from and against any and all costs, expenses, attorneys' fees, suits, liabilities, damages, or claim for damages, in any way arising out of: (i) any acts or omissions of Manager, its agents or employees which have been held to be grossly negligent and are not otherwise insured under property or liability policies, including deductibles and retentions, required to be maintained by Owner under this agreement; (ii) any failure of Manager to promptly perform in any material respect any of its obligations under this Agreement, to the extent the loss is not otherwise insured under property or liability

policies, including deductibles and retentions, requires to be maintained by Owner under this agreement or provided such failure was not caused by Owner or by events beyond the reasonable control of Manager, and Owner has furnished to Manager sufficient funds to perform such obligations; or (iii) any acts of Manager beyond the scope of Manager's authority hereunder. However, it is agreed that, under no circumstances shall Manager be held liable to the Owner or to any other party for loss or damage arising out of alleged or actual terrorist's acts.

(c) "Indemnified Party" and "Indemnitor" shall mean the Manager and Owner, respectively, as to Section 8.1(a) and shall mean the Owner and Manager, respectively, as to Section 8.1(b). If any action or proceeding is brought against the Indemnified Party with respect to which indemnity may be sought under this Section 8.1, the Indemnitor, upon written notice from the Indemnified Party, shall assume the investigation and defense thereof, including the employment of counsel and payment of all reasonable expenses. The Indemnified Party shall have the right to employ separate counsel in any such action or proceeding and to participate in the defense thereof, but the Indemnitor shall not be required to pay the fees and expenses of such separate counsel, unless such separate counsel is employed with the written approval and consent of the Indemnitor.

(d) The indemnities in this Section 8.1 shall survive the expiration or termination of this Agreement.

8.2 Waiver of Claims.

(a) Notwithstanding anything to the contrary contained herein, Owner and Manager each hereby waives its rights of recovery against each other and its respective agents, officers and employees for any losses or damage that are insured against or required to be insured against under this Agreement or with respect to the Property. Such waiver shall apply regardless of whether the loss or claim is caused in whole or in part by the acts or omissions of a released party, and regardless of whether the waiving party maintains a third party policy against, or self-insures, all or any portion of the risks required to be insured against hereunder. Each of Owner and Manager agree to make such disclosure to its insurance carrier(s) and to use best efforts to obtain any necessary consents or endorsements to effect the foregoing.

8.3 Owner. For the purposes of this Article VIII, the term "Owner" shall be construed as meaning Owner, Owner's Representative and Owner's Asset Manager, and their respective affiliates, directors, officers, employees, agents and representatives. This Article VIII shall survive expiration or termination of this Agreement.

8.4 Limitation of Liability. Except for claims that are covered by insurance carried by Manager, or required to be carried by Manager hereunder, in the event of any breach or default by Owner under this Agreement, Manager's sole remedy shall be to terminate this Agreement, and receive all fees and reimbursements payable under this Agreement and applicable to the period prior to such termination. In addition, in the event of any such termination by Manager, Owner shall continue to be obligated to pay all third party expenses of operating and managing the Property reasonably incurred by Manager in accordance with this Agreement. Owner shall have no other liability whatsoever to Manager under or in connection with this Agreement. If Manager shall recover any judgment against Owner in connection with this Agreement, Manager shall look solely to Owner's interest in the Property (inclusive of proceeds from rents, insurance or condemnation) for the collection or enforcement of any such judgment, and no other assets of Owner shall be subject to levy, execution or other process for the satisfaction or enforcement of such judgment. Except for claims that are covered by insurance carried by Owner, or required to be carried by Owner hereunder, in the event of any breach or default by Manager under this Agreement, Manager's liability under this Agreement shall be the greater of all amounts paid to Manager under this Agreement for the 12

months immediately preceding the claim or the maximum limits of Manager's insurance coverage to be carried under this Agreement..

ARTICLE IX - COSTS AND EXPENSES

- 9.1 Costs and Expenses of Manager. Except as otherwise expressly provided herein, all costs and expenses incurred by or on behalf of Manager in performing its obligations hereunder shall be borne solely by Manager, including, without limitation, the following expenses or costs in connection with the operation and management of the Property:
- (a) Cost of gross salary and wages, payroll taxes, insurance, worker's compensation, pension benefits and any other benefits of Manager's home and regional office personnel, including property management personnel and persons providing engineering services (provided however that engineering services provided by Manager's employees may be billed-back to Owner at an agreed-upon hourly rate pursuant to a separate vendor services agreement);
 - (b) Standard reporting services, as described under Exhibit B, as such services are considered to be within the reasonable scope of Manager's responsibilities to Owner, and except for such services as are provided by persons for whom Manager is reimbursed pursuant to Section 9.2(a);
 - (c) Cost of forms, stationery, ledgers and other supplies and equipment used in Manager's home office or regional home office, except for such items as are specifically required for, or proprietary to, the Property;
 - (d) Cost or pro rata cost of telephone and general office expenses incurred on the Property by Manager for the operation and management of properties other than the Property;
 - (e) Cost or pro rata cost of data-processing equipment, whether located at the Manager's home or regional office;
 - (f) Cost or pro rata cost of data processing provided by computer service companies not performed for the property;
 - (g) Cost of all bonuses, incentive compensation, profit sharing or any pay advances to employees employed by Manager in connection with the operation and management of the Property, except for salary reimbursements as approved in the Annual Budget;
 - (h) Cost of automobile purchases and/or rentals, unless the automobile is being provided by Owner;
 - (i) Costs attributable to claims, losses and liabilities arising from: (i) any breach of this Agreement by Manager; or (ii) the negligence, recklessness, willful misconduct, fraud or criminal acts of Manager's employees, agents, contractors, subcontractors or associates;
 - (j) Cost of comprehensive crime insurance purchased by Manager for its own account;
 - (k) Costs for meals, travel and hotel accommodations for Manager's home or regional office personnel who travel to and from the Property, unless expressly authorized by Owner; and
 - (l) Costs of professional licenses, continuing education fees, professional dues, conference fees and similar items.

9.2 Reimbursement by Owner. The following expenses or costs incurred by or on behalf of Manager in connection with the operation and management of the Property shall be reimbursable on a monthly basis by Owner to Manager to the extent they are within the Approved Budget or approved in writing by Owner and are supported by proper documentation from Manager:

- (a) Cost of telecommunications, including network or Internet connectivity and maintenance, computer hardware, software and maintenance;
- (b) Cost of financial support services related to the preparation and performance of Property related financial or service requirements; and
- (c) Office supplies, postage, copier, facsimile machine, courier services, lock box and other banking services and local business and license fees.

9.3 Payment of Other Costs. Manager may make the expenditures set forth in the Approved Budget

9.4 Nonpayment. If Manager fails to make any payment when required or fails to perform any act required under this Agreement, then Owner, after ten (10) days' written notice to Manager (or, in the case of any emergency, without notice) if the matter has not been cured, and without waiving or releasing Manager from any of its obligations hereunder, may (but shall not be required to) make such payment or perform such act. Owner shall have (in addition to any other right or remedy) the right to offset all costs and expenses incurred in exercising its rights under this Section 9.5 against any sums due or to become due to Manager, including, without limitation, the Management Fee and any costs and expenses reimbursable by Owner pursuant to Section 9.2.

ARTICLE X - COMPENSATION

10.1 Management Fee. Owner shall pay Manager as compensation for the management services rendered hereunder a management fee (the "Management Fee") at the rate specified in Section 1.6. Such Management Fee shall be payable on the last day of the month in which earned. Manager shall submit a monthly invoice itemizing all fees, costs and reimbursements due under this Agreement to the Owner.

10.2 Construction Consulting Services. Owner shall pay Manager as compensation for any construction consulting, project consulting or capital improvement consulting services requested by Owner a fee as set forth in the attached Construction Consulting Addendum (**Exhibit C**).

10.3 Special Services. In the event substantial involvement from Manager is requested by Owner for services which are outside the scope of this Agreement (including significant involvement in Non-Standard Accounting as set forth in **Exhibit B**), the parties shall work in good faith to negotiate an agreed-upon fee prior to Manager's performance of such services. Manager shall submit separate invoices to Owner for Owner's review and approval before payment is made to Manager.

ARTICLE XI - TERMINATION

11.1 Termination of Agreement. This Agreement may be terminated prior to the expiration of the Initial Term or of any renewal term, as the case may be, on the following terms and conditions, it being understood and agreed, however, that termination shall relieve neither Owner nor Manager from liabilities or claims accruing and arising up to and including the date of termination:

- (a) Owner shall have the right to terminate this Agreement in the event that Manager fails in any material respect to keep, observe or perform any covenant, agreement, term or provision of this Agreement, to be kept, observed, or performed by Manager, and such default continues for a period of fifteen (15) days after written notice thereof by Owner to Manager.
- (b) In the event that the Property is sold to a party that is not affiliated with Owner, either party shall have the right to terminate this Agreement with thirty (30) days' prior written notice to the other party.
- (c) Either party shall have the right to terminate this Agreement if a petition for bankruptcy, reorganization or rearrangement is filed under any federal or state bankruptcy or insolvency laws by the other party, or if any such petition is filed against the other party and not removed or discharged within sixty (60) days thereafter.
- (d) Manager shall have the right to terminate this Agreement in the event Owner fails in any material respect to keep observe or perform any covenant, agreement, term or provision of this Agreement to be kept observed, or performed by Owner and such default continues for a period of fifteen (15) days after written notice thereof by Manager to Owner, or if Owner materially fails to comply with any law, regulation or ordinance relating to or affecting Owner's ownership of the Property.
- (e) If any building on the Property is destroyed and Owner, for any reason, elects not to rebuild the building, then this Agreement shall terminate as of the fifth (5th) business day following delivery of written notice to Manager that Owner has elected not to rebuild the building after such destruction.
- (f) In the event there is a condemnation of all or any substantial part of the Property, then this Agreement shall automatically terminate as of the date of such taking.
- (g) Upon the occurrence of an Event of Default, as set forth in Section 12.2 hereof.
- (h) Without cause upon sixty (60) days written notice by Owner to Manager, or without cause upon one hundred twenty (120) days written notice by Manager to Owner.

ARTICLE XII – DEFAULT

12.1 **Default.** The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Agreement:

- (a) the failure of Manager to hold the appropriate management licenses necessary for the timely performance by Manager of each of its obligations under this Agreement and the failure to obtain such licenses in a timely manner so that the timely performance by Manager of such obligations is materially and adversely affected, or the failure of Manager to maintain its corporate existence in good standing;
- (b) the negligence, malfeasance or fraud by Manager (or Manager's agents, officers or employees) relating to the management the Property of such a nature that it materially and adversely affects Manager's ability to effectively manage the Property for Owner;
- (c) the failure of a party to observe or perform any of the other covenants, conditions or provisions of this Agreement (other than the payment of money) to be observed or performed by

a party where such failure continues for a period of fifteen (15) days after delivery of written notice thereof (provided, however, that if such default is curable, but is not curable within fifteen (15) days, and within such fifteen (15) day period the defaulting party commences to cure and diligently pursue such cure, such party shall have such additional period not to exceed one hundred twenty (120) days to effect such cure as may be necessary, provided such party continues to diligently pursues such cure),

(d) (i) the making by any party of any general assignment or general arrangement for the benefit of creditors; (ii) the filing by any party of a petition to have the party adjudicated bankrupt or a petition for reorganization or arrangement under any law relating to bankruptcy; (iii) the filing of an involuntary petition to have the party adjudicated bankrupt under any law relating to bankruptcy, which is not dismissed within one hundred twenty (120) days thereafter; (iv) the appointment of a trustee or receiver to take possession of substantially all of the party's assets, where possession is not restored within one hundred twenty (120) days; or (v) the attachment, execution or other judicial seizure of substantially all of the party's assets, where such seizure is not discharged within one hundred twenty (120) days.

- 12.2 Remedies. In the event of the occurrence of an Event of Default as set forth in Section 12.1 above, the other party may at any time thereafter: (a) immediately terminate this Agreement upon written notice to the other party; and (b) without further notice or demand, pursue any other remedy now or hereafter available under the law or in equity.

ARTICLE XIII - MISCELLANEOUS

- 13.1 Status of Manager. It is not the intention of the parties to create a relationship wherein Manager is an agent of Owner in the management, operation and maintenance of the Property. Nothing herein contained shall be construed as creating the relationship of employer-employee or establishing any partnership or joint venture arrangement between Owner and Manager. Manager, in the performance of its duties under this Agreement, is an independent contractor and it is expressly understood and agreed that payments hereunder shall be payments by Owner to Manager as an independent contractor and not as an employee, partner or joint venturer of Owner. Nothing in this Agreement shall be construed as requiring Manager to bear any portion of any losses or gains arising out of or connected with the leasing, ownership or operation of the Premises.
- 13.2 Nondiscrimination. Manager will not discriminate against any employee or applicant for employment by Manager because of race, creed, color, age, sex or national origin. Manager will take affirmative action to insure that applicants are employed, and that employees are treated during employment, without regard to their race, creed, color, age, sex or national origin. Such action shall include, but not be limited to the following: (i) employment, upgrading, demotion or transfer; (ii) recruitment or recruitment advertising; (iii) layoff or termination; (iv) rates of pay or other forms of compensation; and (v) selection for training, including apprenticeship. Manager agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this nondiscrimination clause.
- 13.3 Notices. Any statement, notice, recommendation, request, demand, consent or approval under this Agreement must be in writing and personally delivered or sent by overnight courier service, or sent by United States registered or certified mail, postage prepaid, return receipt requested, and shall be deemed to have been given upon the date of personal delivery or the next business day following deposit with an overnight courier or five days after deposit in the United States mail, provided that in the case of communications sent by overnight courier service or United States registered or certified mail, the communication is addressed as set forth in Section 1.4 if sent to the Owner and as set forth in Section 1.5 if sent to Manager. Either party may, by written notice, designate a different address.

- 13.4 Ownership of Fixtures and Personal Property. Manager acknowledges that Owner owns all fixtures and personal property situated on or about the Property and used in or necessary for the operation, maintenance and occupancy of the Property (including, without limitation, any personal property purchased by Manager pursuant to Section 4.6), except for such items as are purchased by Manager out of its own funds and for which it is not reimbursed by Owner.
- 13.5 HIPAA. Manager agrees that it is not necessary for Manager to have access to any protected health information ("PHI"), as such information is defined by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), in order to perform its obligations under this Agreement. Manager will instruct its employees, subcontractors, and others performing on its behalf under the Agreement to maintain the confidentiality of all PHI to which they may be exposed. Manager will provide appropriate supervision and establish appropriate disciplinary measures in order to minimize the possibility that its employees, subcontractors, or others performing on its behalf will be exposed to or will disclose PHI. Manager will report to Owner any instances of which it becomes aware in which PHI is improperly stored or disclosed, whether by its employees, subcontractors, or any other person.
- 13.6 Assignment. The parties agree that: (a) Manager's role as Manager of the Property and the performance of such role in accordance with this Agreement is personal in nature; (b) Owner is relying on the reputation of Manager and its personnel for knowledge, expertise, capabilities, reliability and integrity; and (c) Owner is excused from accepting the performance as Manager of any Person other than Manager. This Agreement shall not be assignable by Manager without the express prior written consent of Owner, except that Manager may assign this Agreement without such consent to an affiliate of Manager or any other entity that is wholly-owned or controlled (directly or indirectly) by Manager, including any assignment pursuant to a merger or reorganization of its parent company, or to any subsidiary of such parent company or Manager. This Agreement shall be for the benefit of and shall be binding upon the heirs, successors and assigns of the parties hereto. The parties agree that the provisions of this Agreement relating to Manager's responsibility as Manager and Manager's compensation for such activities constitute a non-assignable contract under Section 365(c) of the United States Bankruptcy Code or any similar Law. Any purported assignment in violation of this Section shall be null and void. Further, in the event Manager is a debtor under the United States Bankruptcy Code or any similar Law and this Agreement has not been terminated, the parties agree that (i) adequate protection of Owner's interests in this Agreement requires that Manager timely comply with all of the terms of this Agreement; (ii) the occurrence of an Event of Default by Manager cannot be cured under Section 365(b) of the United States Bankruptcy Code or any similar Law; and (iii) upon the occurrence of an Event of Default by Manager, Owner shall be entitled to exercise its rights under this Agreement and, if required, Manager consents to relief from the automatic stay of Section 362 of the United States Bankruptcy Code or any similar Law to permit such exercise.
- 13.7 Severability. Each provision of this Agreement is intended to be severable. If any term or provision hereof or the application thereof to any entity or circumstance shall be determined by a court of competent jurisdiction to be illegal or unenforceable for any reason whatsoever, such term, provision or application thereof shall be severed from this Agreement and shall not affect the validity of the remainder of this Agreement or the application of such term or provision to any other entity or circumstance.
- 13.8 Costs of Suit. If Owner or Manager shall institute any action or proceeding against the other relating to this Agreement, the unsuccessful party shall reimburse the successful party for its disbursements incurred in connection therewith and for its reasonable attorneys' fees, as fixed by the court.
- 13.9 Waiver. No consent or waiver, express or implied, by either party to or of any breach or default by the other party in the performance of its obligations hereunder, shall be valid unless in writing. No such consent or waiver shall be deemed or construed to be a consent or waiver to or of any other breach or

default in the performance by such other party of any other obligations of such party hereunder. The failure of any party to declare the other party in default shall not constitute a waiver by such party of its rights hereunder, irrespective of how long such failure continues. The granting of any consent or approval in any one instance by or on behalf of Owner shall not be construed to waive or limit the need for such consent in any other or subsequent instance.

- 13.10 Remedies Cumulative. No remedy herein contained or otherwise conferred upon or reserved to Owner shall be considered exclusive of any other remedy, but such remedy shall be cumulative and in addition to every other remedy given hereunder or now or hereafter existing at law, in equity or by statute. Every power and remedy given by this Agreement to Owner may be exercised from time to time and as often as occasion may arise or as may be deemed expedient.
- 13.11 Entire Agreement. This Agreement contains the entire agreement between the parties and supersedes all prior oral or written agreements, understandings, representations and covenants, to the extent that they are inconsistent with this Agreement.
- 13.12 Amendment. This Agreement may not be amended or modified except by an agreement in writing signed by the party against whom enforcement of such change or modification is sought.
- 13.13 Governing Law. This Agreement and the obligations of Owner and Manager shall be governed by, and construed and enforced in accordance with, the laws of the state where the Property is located.
- 13.14 Waiver of Jury Trial. **EACH PARTY HERETO, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.**
- 13.15 No Advertising. Without Owner's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed, no publication, announcement or other public advertisement of the Property or Owner's name in connection with the Property shall be made by Manager, except as may be required by applicable law, in connection with agreements entered into by Manager as expressly provided for herein.
- 13.16 Covenant of Further Assurances. The parties hereby agree to execute such other documents and perform such other acts as may be necessary or desirable to carry out the purposes of this Agreement.
- 13.17 Terminology. Titles of Articles and Sections in this Agreement are for convenience only, and neither limit nor amplify the provisions of this Agreement, and all references in this Agreement to Articles, Sections or Subsections thereof shall refer to the corresponding Article, Section or Subsection of this Agreement unless specific reference is made to the articles, sections or subsections of another document or instrument.
- 13.18 Interpretation. No provision of this Agreement shall be construed against or interpreted to the disadvantage of any party by any court or other governmental or judicial authority by reason of such party having or being deemed to have structured or dictated such provision.
- 13.19 Third Parties. Neither this Agreement nor any provision hereof nor any service, relationship or other matter alluded to herein shall inure to the benefit of any third party (other than any entity which owns, directly or indirectly, any portion of the beneficial interest in Owner), to any trustee in bankruptcy, to any assignee for the benefit of creditors, to any receiver by reason of insolvency, to another judiciary or officer representing a bankruptcy or insolvent estate of either party, or to the creditors or claimants of such an estate.

- 13.20 Lender Requirements/Subordination. Manager agrees to consider such revisions to this Agreement as may be reasonably required by Owner's or Owner's sole member's lenders, and Manager agrees to comply with customary requirements of such lenders which may be imposed as a condition to payments due under this Agreement, to the extent Manager has received copies of such requirements from Owner or such lender. Manager further agrees to execute a consent to Owner's assignment of this Agreement to any such lender within ten (10) days following a request therefor on such form as any lender may require provided that Manager's rights and duties are not modified except as to assignment to such lender. This Agreement shall be subject and subordinate to, and Manager does hereby subordinate any and all liens or lien claims which it may now or at any time hereafter have to secure payment of any sums now or hereafter owing by Owner to Manager under this Agreement to, the lien or liens now or hereafter given or created to secure the repayment of (a) any encumbrance, including, without limitation, any mortgage, construction or permanent loan for the Property, or (b) advances made to Owner's sole member pursuant to a credit facility. The subordination provided in this Section shall be self-operative and shall not require any further instrument or document. However, upon a request by Owner's or Owner's sole member's lender(s), Manager agrees to execute promptly such other or further agreements evidencing or confirming such subordination in such form as any such lender may require.
- 13.21 Estoppel Certificates. Both Manager and Owner agree, at any time and from time to time, to execute, acknowledge and deliver to the other party, any lender, or (with respect to Owner only) any prospective purchaser of the Property (with respect to Owner only), a statement in writing: (a) certifying that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the Agreement is in full force and effect as modified and stating the modifications), (b) stating whether or not Owner or Manager, as the case may be, is in default of any covenant, agreement or condition contained in this Agreement, and if so, specifying each such default of which Owner or Manager may have knowledge; (c) stating the address to which notices to the other party shall be sent; and (d) such other matters as are customary for such estoppel certificates or which Owner or Manager may reasonably request.

Signatures on page following

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first above written.

OWNER:

SANDWICH DEVELOPMENT PARTNERS, LLC

BY: PHYSICIANS REALTY L.P.,
ITS MANAGER

BY: PHYSICIANS REALTY TRUST, ITS
GENERAL PARTNER



By: _____
Name: David Domres
Its: VP. Property Management
April 12, 2017

MANAGER:

WAVELAND PROPERTY GROUP, INC.

By: 
Name: JONATHAN SWINDLE
Its: PRESIDENT

EXHIBIT A

<insert list of any hourly rates for service technicians that are employed by the Manager>

EXHIBIT B
REPORTING

Management Reporting

On a regular basis, as so determined by Owner, Manager shall:

- 1) furnish Owner with an operations report in a format supplied by Owner;
- 2) participate in regular conference calls with Owner on a bi-weekly or monthly basis as determined by Owner;
- 3) coordinate and participate in periodic Property site visits and on-site meetings with Owner and/or tenant representatives;
- 4) complete a physical Property inspection no less than quarterly using a reporting template supplied by Owner;
- 5) assist Owner's accounting department in the preparation of an annual property budget (with monthly budget detail) using Owner's chart of accounts;
- 6) assist Owner's accounting department in the annual reconciliation of operating expenses and development of future year operating expense impounds;
- 7) prepare and update as necessary, a five-year capital expenditure budget for the Property;
- 8) monitor and investigate any outstanding accounts receivable balances and significant budget variances;
- 9) provide Owner's risk management agent with copies of all active construction contracts and proof of insurance from all vendors completing work at the Property;
- 10) upon any change in tenancy, review Owner's rent roll for completeness and accuracy;
- 11) prepare and provide other ad-hoc reports on an as-needed basis as so directed by Owner;
- 12) upon request, Manager shall also provide Owner with copies of tenant service requests and evidence of proper completion; and
- 13) supply Owner with copies of space plans, construction documents, permits, warranties and similar items which are obtained by and/or reviewed by Manager or its agents.

EXHIBIT C

CONSTRUCTION MANAGEMENT ADDENDUM

THIS ADDENDUM APPLIES ONLY IF IT IS SEPARATELY SIGNED BY OWNER AND MANAGER PER PROJECT THAT MANAGER IS REQUESTED BY OWNER TO PERFORM CONSTRUCTION MANAGEMENT SERVICES

THIS CONSTRUCTION MANAGEMENT ADDENDUM is attached to and is a part of a Facilities Service Agreement dated as of _____, 20____, between **Sandwich Development Partners, LLC** ("Owner"), and **Waveland Property Group, Inc.** ("Manager").

1. **Construction Management Fee:** In addition to the Management Fee, upon written request and approval of the Owner, Manager shall be entitled to a construction management fee for the construction management services described in Section 3 of this Addendum. The fee shall be a percentage of the cost of construction as outlined in Section 2 of this Addendum, payable 100% upon completion, or periodically based upon percentage of completion, as the parties may agree. As used herein, "cost of construction" shall include: all labor and supervision costs; costs of materials and supplies; contract price for all construction work performed by general contractors and subcontractors; fees, taxes or other charges levied by governmental or quasi-governmental agencies in connection with the issuance of all authorizations, approvals, licenses and permits necessary to undertake construction of the project; cost of all equipment and fixtures provided for in drawings and specifications; concrete, welding and other testing expenses; and, all architectural and engineering fees or costs.

2. **Construction Management Fee Schedule:**

<u>Construction Cost</u>	<u>Fee - % of Construction Cost</u>
\$0 – \$10,000	None (part of regular Manager duties)
\$10,001 – \$100,000	4%
\$100,001 - \$250,000	2.5%
Greater than \$250,000	2%

3. **Description of Construction Management Services.** Construction management shall consist of coordinating, overseeing and expediting the completion of (a) tenant improvements; (b) capital construction, repairs and replacements, including thereby any construction, repair or replacement that requires any significant on-site oversight or supervision by Manager and has a cost in excess of \$10,000; (c) restoration of damage arising from casualty or condemnation in excess of \$10,000. The services provided shall include, but not be limited to, the following:

Project Team Composition & Pre-Construction Activities

- a. Assist leasing team in conceptual budgets for prospective tenant improvement projects
- b. Research existing vendors and perform pre-qualifications, (RFQ's)
- c. Recommend specialized team members in required disciplines
- d. Issue requests for proposals (RFP's) to architects, engineers, and other specialty and/or general contractors as required by Owner
- e. Receive and analyze RFP responses and submit recommendation for Owner review, approval and signature of contract(s)
- f. Prepare and manage general contractor bid and contract process
- g. Receive and analyze construction proposals and submit recommendation for Owner review, approval and signature of contract.

Design Review and Construction Management

- a. Review space plans and/or construction documents to confirm project requirements and identify opportunities for value engineering
- b. Develop coordination plan for project requirements, allowable work hours, and emergency procedures
- c. Establish and attend periodic site meetings with project team
- d. Monitor project schedule and progress of work
- e. Report and budget variances to Owner
- f. Review monthly requests for payment from vendors
- g. Monitor completion of field inspections
- h. Advise client as to construction status
- i. Conduct punch list inspection with contractor
- j. Monitor final sign-off of improvements
- k. Obtain unconditional final lien waivers from all vendors

THIS CONSTRUCTION MANAGEMENT ADDENDUM is executed by the parties concurrently with the Facilities Service Agreement referred to above.

Owner:

SANDWICH DEVELOPMENT PARTNERS, LLC


BY: PHYSICIANS REALTY L.P.,
ITS MANAGER

BY: PHYSICIANS REALTY TRUST,
ITS GENERAL PARTNER

By: _____
Name: _____
Its: _____

Manager:

WAVELAND PROPERTY GROUP, INC.

By: 
Name: Jonathan Squire
Its: President