

DATE OF LEASE:

LEASE #GS-11B- 02234

THIS LEASE, made and entered into this date between **LR Gallows, LLC**
Whose address is: 1101 Connecticut Avenue, NW
Suite 250
Washington DC 20036-4303

SEP 30 2010

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:

A total of approximately **32,458 ANSI BOMA Rentable Square Feet (BRSF)** being **29,298 ANSI BOMA Office Area Square Feet (BOASF)** consisting of the entire 2nd floor and a total of 97 parking spaces on a first-come first-served basis in the building garage or adjacent surface parking located at **1953 Gallows Road in Vienna, VA, 22182-3934**, as noted on the floor plan attached hereto and made a part hereof.

To be used for office and related purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the five (5) YEAR FIRM term beginning on the commencement date determined in accordance with section 3.17 "Construction Schedule of Tenant Improvements" of the SFO, and ending five (5) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay the Lessor an annual rent of \$1,144,379.88 (\$39.06 / BOASF) at the rate of \$95,364.99 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$171,686.28 (\$5.86 / BOASF) [\$4.86 / BOASF + \$1.00 / BOASF daytime cleaning premium], base real estate taxes, \$117,192.00 to amortize a tenant improvement allowance of \$585,960.00 (\$20.00 / BOASF) at zero percent (0%) annual interest, and \$164,936.52 to amortize a tenant improvement allowance of \$646,899.84 (\$22.08 / BOASF) at ten percent (10%) annual interest. The Government has the right to a total of 97 parking spaces on a first-come first-served basis in the building garage or adjacent surface parking at no additional cost. The Government shall be entitled to abatement of rent in the total amount of \$286,094.97 to be applied against the first three (3) full months of the lease term at the rate of \$95,364.99 per month. This rent abatement is inclusive of operating costs and amortization of the tenant improvement allowance.

4. Rent checks shall be payable to **LR Gallows, LLC**, at the address shown below:

1101 Connecticut Avenue, NW
Suite 250
Washington DC 20036

5. This lease may be renewed at the option of the Government, for the following term and at the following rental:

The Government shall have the right to one (1) renewal option for a [REDACTED] at an annual rent of [REDACTED] payable at the rate of [REDACTED] per month in arrears. The renewal annual rent is inclusive of a new operating cost base and base year real estate taxes, which shall be established as the operating cost base and base year real estate taxes amount provided by the Lessor in the Lessor's submission of a new Form 1217 at the beginning of the option term. Prior to commencement of the renewal option period, the parties shall agree to a new base for operating costs and real estate taxes. The Government shall exercise its renewal option if at all by providing the Lessor with written notice of the Government's intent to exercise such option at least 180 days before the end of the original lease 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:

EXCEPT AS SET FORTH BELOW OR ELSEWHERE IN THIS LEASE, ALL SERVICES, IMPROVEMENTS, ALTERATIONS, REPAIRS, AND UTILITIES AS DEFINED BY THIS LEASE. THIS LEASE IS FULL SERVICE.

a) Prior to Government occupancy, the Lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation report prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of the report, attached hereto and made a part hereof.

LESSOR [Signature] GOV'T [Signature]

(rev. 1/15/2010)

- b) Tenant Improvements: Upon completion of tenant improvements by Lessor and acceptance thereof by the Government, the cost of such tenant improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. Notwithstanding any provisions of the SFO to the contrary, the Lessor shall not be obligated to provide to the Government as part of the rent a total tenant improvement allowance in excess of \$1,232,859.84 (\$42.08/BOASF). Any tenant improvements funded by the Lessor in excess of \$42.08/BOASF amount shall be repaid by the Government via lump sum payment within thirty (30) days of receipt of an invoice therefore.
- c) Daytime Cleaning: Lessor shall perform all janitorial work in the Government's space between 8:30 am and 4:30 pm, Monday through Friday.
- d) The Government's percentage of occupancy for real estate tax purposes shall be 12.66%, based on 32,458 BRSF / 256,371 BRSF, subject to confirmation of the total rentable area of the entire building.
- e) The HVAC Overtime rate shall be \$40.00 per hour with no minimum usage for Monday through Friday. A minimum two (2) hour charge shall apply for HVAC overtime usage on Saturday, Sunday and federal holidays.
- f) At the Government expense, the Government shall have the right to install an emergency power generator, subject to the Lessor's prior written consent, such consent not to be unreasonably withheld. The Government must request such consent at least thirty (30) days in advance of the date on which the Government proposes to commence installation of such emergency power generator. Location and rent for the generator shall be negotiated by both parties at the time the requirement arises. In the event the Government exercises this right, the parties shall execute a Supplemental Lease Agreement (SLA) detailing additional terms and conditions of this installation, all of which being acceptable to the Lessor in the Lessor's sole and absolute discretion.
- g) In connection with the buildout of tenant improvements, the following limits on markups, fees and design costs shall apply. General Conditions shall not exceed 3%, General Contractor Fees shall not exceed 15%, Lessor's overhead, profit, and other management fees shall not exceed 3%, and the architectural/engineering (including architectural, mechanical, electrical, plumbing, and structural engineering services) costs shall not exceed \$3.00 / BOASF. The combined total of the foregoing markups shall not exceed 21%, and A/E fees shall not exceed \$3.00 / BOASF. The fees listed in the immediately preceding sentence shall apply only with respect to the initial improvements contemplated by the SFO and related design documents. Any such fees will be paid for out of the tenant improvement allowance. These markups and fees are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement. For any changes or alterations other than the initial tenant improvements to be performed by the Lessor, the Lessor's total combined mark-up and overhead fees shall not exceed 6%.
- h) Notwithstanding anything to the contrary contained in Paragraph 9.28 of the SFO or elsewhere in the Lease, the Lessor's obligation to provide security or ID passes or cards for parking access under, or in connection with, the Lease shall be limited to 3 pass or card per 1,000 BRSF of the leased premises. If the Government requires more passes or cards than the equivalent of 3 pass or card per 1,000 BRSF of the leased premises, then the Lessor will provide such passes or cards at the Government's sole cost and expense. The Government shall reimburse the Lessor for all costs related to the Lessor's providing of such passes or cards within thirty (30) days of the Lessor's demand therefore.
- i) With regards to Section 4.9 of the SFO "Floors and Floor Load", the floor common level shall not vary more than 1/2 inch over a 10-foot, 0-inch horizontal run.
- j) In the case of discrepancies between this SF-2, its riders and the remainder of the Lease, this SF-2 and its riders shall govern.

7. The following are attached and made a part hereof:

- 1. Solicitation For Offers (SFO) # 07-016, 48 pages
- 2. Solicitation Attachment #1, Rate Structure, 1 page
- 3. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOASF, 1 page.
- 4. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
- 5. Solicitation Attachment #4, Fire and Life Safety Report, Including GSA Fire Protection Branch Review, pages
- 6. Small Business Subcontracting Plan, pages
- 7. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
- 8. GSA Form 3517, General Clauses, 32 pages
- 9. GSA Form 3518, Representations and Certifications, 8 pages
- 10. Floor Plans of Leased Area, 1 page
- 11. Rider #1 - Fire & Life Safety, 1 page
- 12. Rider #2 - Security Requirements, 1 page

LESSOR



GOV'T



(rev. 1/15/2010)

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

LESSOR : LR Gallows, LLC

BY:

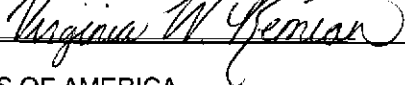
BY


KATYA NAMAN

Date 9/30/2010

TITLE SENIOR VICE PRESIDENT

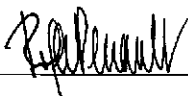
IN PRESENCE OF



ADDRESS 1101 CONNECTICUT AVE WASH DC 20036

UNITED STATES OF AMERICA

BY



CONTRACTING OFFICER, GSA, NCR

STANDARD FORM 2
FEBRUARY 1965 EDITION

EXCEPTION TO SF2 APPROVED
Revised 1/15/10