

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT**

SUPPLEMENTAL AGREEMENT
NO. 2

Page 1 of 2

DATE

9-14-10

TO LEASE NO.
GS-03B-09397

ADDRESS OF PREMISES

2525 Celebrate Virginia Parkway
Fredericksburg, VA 22406

THIS AGREEMENT, made and entered into this date by and between **Delmarva Contracting, Inc.**

P.O. Box 10395
Alexandria, VA 22310

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease to incorporate increased square footage and adjust the annual rent.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective May 31, 2010 as follows:

A. Paragraph 1. of the Standard Form 2 is hereby amended by deleting the existing text in its entirety and by inserting in lieu thereof the following:

1. The Lessor hereby leases to the Government the following described premises:

"Approximately 46,813 rentable square feet yielding 43,187 ANSI/BOMA office area square feet of office space and an additional approximately 3,387 rentable square feet (yielding approximately 3,125 ANSI/BOMA Office Area square feet) of free space (for which the Government will not be charged rent, including real estate taxes and operating cost escalations) in excess of the total 46,813 rentable/43,187 ANSI/BOMA office area square footage indicated above, for a total of approximately 50,200 rentable square feet, (yielding approximately 46,312 ANSI/BOMA Office Area square feet and related space) with two hundred forty five (245) on-site secured parking spaces under lease, at 2525 Celebrate Virginia Parkway, Fredericksburg, VA, 22406, to be used for such purposes as may be determined by the General Services Administration."

B. Paragraph 12. of the Lease Rider is hereby amended by deleting the existing text in its entirety and by inserting in lieu thereof the following:

"Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within ninety (90) working days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for fifteen (15) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN IN FULL FORCE AND EFFECT.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: **Delmarva Contracting, Inc.**

BY


(Signature)

President
(Title)

IN PRESENCE OF (witnessed by):

Janet B. Tedrick
(Signature)

Secretary
(Title)

UNITED STATES OF AMERICA

BY

Stacy Keifer
(Signature)

Contracting Officer, GSA
(Official title)

TO LEASE NO. GS-03B-09397

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 10: Annual Rent: \$1,372,535.63

Shell Rent: \$904,767.65 per year or \$20.95 per ANSI/BOMA Office Area Square Foot (ABOA)

Amortized annual cost for Tenant Improvement Allowance: \$263,061.60 per year

In accordance with lease negotiations, the Tenant Improvement rate stated above reflects an interest rate of 7.5% over a 180 month period, which exceeds the firm term of the lease. (See Paragraph 14 of Lease Rider below). Should the Government exercise its termination rights, the Government shall have no obligation to pay the Lessor any remaining balance for the Tenant Improvement rent beyond the firm term of the lease. The Lessor shall provide the Tenant Improvements to the Government for years 11 - 15 free of charge.

Interest rate at which Tenant Alterations are amortized: 7.5%

Annual Cost of Services: \$204,706.38 per year or \$4.74 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

The first six months of the lease shall be free of any and all shell rent.

Years 11 through 15: Annual Rent: \$1,109,474.00

Shell Rent: \$904,767.65 per year or \$20.95 per ANSI/BOMA Office Area Square Foot (ABOA)

Annual Cost of Services: \$204,706.38 per year or \$4.74 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$2,364,779.63 or \$51.06 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 7.5% amortization rate over the term of 15 years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 7.5% amortization rate. As previously stated, the Lessor has amortized the cost of the Tenant Improvements over 15 years, but is only charging the Government for 10 years worth of Tenant Improvements. The remaining 5 years are provided at no cost to the Government.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

In accordance with the lease negotiations, the lessor has offered free shell rent to the Government for the first six (6) months of the lease. Therefore, the Lessor shall be paid only operating costs and tenant improvement costs for the first six (6) months of the lease.

All rights, responsibilities, and obligations that bind the Lessor and Government under this lease agreement, including the General Clauses, and any other attachments hereto, shall pertain to the entire space under lease, including the free space.

C. Paragraph 19. of the Lease Rider is hereby amended by deleting the existing text in its entirety and by inserting in lieu thereof the following:

19. The total space in the building is approximately 50,200 RSF. The Lessor is charging the government for approximately 46,813 RSF and is providing the remainder of the space in the building (approximately 3,387 RSF) to the Government FREE of charge. Upon acceptance of the leased premises by the Government, actual square footages will be established per paragraph 12 of the lease rider. However the Government will not pay for more than the 43,187 ABOA offered under this lease. The Government shall use the approximately 3,387 RSF of free space and shall not pay any rent for it (Shell, Operating, or Tenant Improvements) for the entire term of the lease.

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

Initials:

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