

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: JUL 20 2009 LEASE #GS-11B-02106

THIS LEASE, made and entered into this date between **ASHTON PARK ASSOCIATES I, LLC**
whose address is c/o The Shooshan Company
4075 Wilson Boulevard, Suite 440
Arlington, VA 22203

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 considerations hereinafter mentioned, covenant and agree as follows:

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

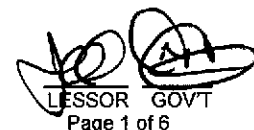
A total of 352,740 BOMA Rentable Square Feet (BRSF) (yielding approximately 302,845 ANSI/BOMA Office Area Square Feet (ABOA)) and consisting of the entire building of 13 floors located at 675 North Randolph Street, Arlington, VA 22203 in the project known as Founder's Square to be used for SUCH GENERAL OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See floor plans of leased premises included in Attachment A). The Federal Government shall be the only tenant in the building.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers SFO # 08-040 (SFO), including SFO paragraphs 1.7 and 3.18, and General Clauses 12 and 20, and continuing for a firm term of 15 years from the lease commencement date. The commencement date and term shall be established in accordance with the SFO in a Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$14,699,727.60 (\$41.67298.00/BRSF; \$48.53878/ABOA) at the rate of \$1,224,977.30 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **ASHTON PARK ASSOCIATES I, LLC**, c/o The Shooshan Company, 4075 Wilson Boulevard, Suite 440, Arlington, VA 22203, or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of \$3,406,661.87 applied as follows: a portion of the monthly shell rent shall be partially abated during the first five full months of the lease term, in equal monthly amounts of \$681,332.37, for a total amount of \$3,406,661.87, as more fully set forth in paragraph 6(C) below.

4. (Intentionally Deleted)

5. (Intentionally Deleted)


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6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included as a component of the rent.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$12,743,717.60 (\$42.08/ABOA). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor in accordance with SFO Paragraph 1.11 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, with the \$42.08/ABOA being amortized at a rate of 8.75% over the fifteen-year firm Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 8.75% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 1.11 "Tenant Improvement Rental Adjustment" and Paragraph 3.2 "Tenant Improvements Pricing Requirements." Furnishing a tenant emergency generator with fuel storage, providing for security standards other than are required by the SFO, use of K-Rated transformers or other lighting upgrades not required by the SFO, or modifications to the building shell required to accommodate tenant improvements shall be at the Government's expense and paid for out of the Tenant Improvement Allowance.

C. In accordance with Paragraph 1.13 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley, Inc. have agreed to a cooperating lease commission of [REDACTED] of the lease value for the fifteen year firm term. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED] and shall be paid as free rent in equal monthly installments of [REDACTED] during the first, second, third, fourth and fifth full months of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of [REDACTED] half of which, or [REDACTED], shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice, and the remaining half or [REDACTED] shall be due upon closing of the Lessor's financing.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first full month of the lease term and continue as indicated in this schedule for adjusted Monthly Rent:

First Full Month's Rental Payment of \$1,224,977.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Full Month's Rent;

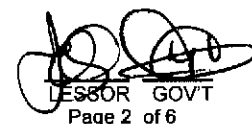
Second Full Month's Rental Payment of \$1,224,977.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Full Month's Rent;

Third Full Month's Rental Payment of \$1,224,977.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Full Month's Rent;

Fourth Full Month's Rental Payment of \$1,224,977.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Full Month's Rent; and

Fifth Full Month's Rental Payment of \$1,224,977.30 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Full Month's Rent.

D. For purposes of Paragraphs 3.5 and 3.6 of the SFO, as of the date of lease execution, the Government's percentage of occupancy is 100%, based on occupancy of 352,740 BRSF in a building of 352,740 BRSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 3.5 D of the SFO. Any change in the percentage of occupancy or the amount of space shall be reflected in the Supplemental Lease Agreement establishing the lease commencement date.


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E. For purposes of Paragraphs 3.7 and 3.8 of the SFO, as of the date hereof, the operating cost base is \$2,980,653.00 or \$8.45 per BRSF for 352,740 BRSF or \$9.84217 per ABOA for 302,845 ABOA.

F. Pursuant to Paragraph 3.10 "Common Area Factor", the Add-On Factor is determined to be 1.164754, calculated as follows: 352,740 BRSF/302,845 ABOA.

G. In connection with the initial or subsequent buildout of tenant improvements, the following limits on markups, fees, and design costs shall apply: Offeror's General Contractor's overhead, and profit shall be 7%, Lessor's overhead, profit, and other management fees shall be 5%, General Conditions shall be 5% and architectural/engineering (including architectural, mechanical, electrical, plumbing and structural engineering services) costs shall be 7%. The combined total of the foregoing markups and fees shall not exceed 24%. These markups are all subject to the right of the Government and Lessor to reasonably negotiate lower individual markups based upon the actual scope of work of the requirement.


H. Pursuant to Paragraph 1.5(C) of the SFO, the Warm Lit Shell Credit, which shall be applicable only to the BOMA office area portion of the leased premises, shall be \$5,881,249.90 or \$19.42 per ABOA.

I. Pursuant to paragraph 7.2 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 8:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). Overtime beyond the above-referenced Normal Hours Schedule for overtime HVAC on an occasional basis shall be provided at rates of (i) \$39.00 per hour for overtime HVAC for each floor, or, if the Government elects to require overtime on a regular or recurring basis at the rate of (ii) \$840,294.00 per year for overtime HVAC throughout the entire leased premises every Saturday, Sunday and Federal holiday from 8:00 am to 5:00 pm. The foregoing overtime HVAC rates shall escalate in a manner consistent with section 3.7 "Operating Costs" in the SFO. The foregoing overtime HVAC rates are inclusive of all labor, maintenance, service and engineering fees. Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

J. The adjustment to the rent for space previously occupied by the Government and then vacated is \$2.98 per ABOA.

K. Four official parking spaces are included in the rent as stated in Paragraph 3 of this SF2. The term "Remainder of the Garage" includes all remaining spaces, parking areas, ramps, and entrances, other than the four official parking spaces as set forth in Attachment A to this SF 2, Floor Plans. For security purposes, the Government hereby leases the Remainder of the Garage for the term of the lease. Pursuant to Paragraph 9.0 of the SFO, the Government has full security control over all parking areas, surface or structured. Only the Government, including Government employees and occupants of the premises, shall be permitted to park in any parking facility. Subject to the approval of Arlington County, the garage will be 515 spaces, so the Remainder of the Garage shall include 511 spaces. The annual rent for the Remainder of the Garage shall be \$827,820.00 for the initial five years of the lease. The annual rent for the Remainder of the Garage for the sixth through tenth year of the lease shall be \$962,724.00. The annual rent for the Remainder of the Garage, for the eleventh through fifteenth year of the lease shall be \$1,116,024.00. The rent shall be paid monthly in arrears and in the same manner as the rent provided by Paragraph 3 of this SF 2. If Arlington County fails to approve the 515 space garage, the number of spaces and the annual rental for the Remainder of the Garage shall be renegotiated to the mutual agreement of the parties and documented in a Supplemental Lease Agreement. The rent for the Remainder of the Garage shall not be subject to adjustments, escalations or further payments of any kind, other than as set forth above. The Lessor shall be responsible for base building repairs and maintenance of the garage and any needed capital improvements, but shall not required to furnish garage attendants or security personnel, or to provide normal cleaning. The Government shall be responsible for all utilities, janitorial services, normal cleaning, and related matters for the parking garage.

L. Paragraph 1.4(C) of the SFO requires that Lessor achieve a LEED-NC Silver Certification. Lessor has furnished a LEED Scorecard, attached as Attachment I. In the event that any specific decision or decisions by the Government with respect to the tenant improvements is inconsistent with the LEED Scorecard's goals, Lessor shall so inform the Government in writing and present reasonable alternatives that are compliant, including obtaining alternative points. The Government may elect to proceed with its decision notwithstanding the notice by Lessor of


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its inconsistency with the LEED Scorecard goals. In that event, Lessor shall be relieved of the requirement to obtain LEED-NC Silver Certification provided that Lessor has met each and every minimum requirement for the LEED-NC Silver Certification and obtained all of the other required points set forth on the Scorecard, and not obtained a sufficient number of the alternative points. Alternative points are the ones shown on the Scorecard as being pursued, but not counted upon to obtain a LEED-NC Silver Certification.

M. The ceiling height limitations of paragraph 5.7(A) of the SFO do not apply to core areas or areas of raised flooring. Lessor shall attempt to have ceiling heights within those areas as close to ceiling height limits as possible.

N. Notwithstanding paragraph 8.4(A) of the SFO, Lessor is not required to furnish a "safepath" mass notification system.

O. A copy of SFO Attachment #4 Fire Protection and Life Safety Evaluation is attached as Attachment C. Upon request of the Government, Lessor agrees to furnish an updated SFO Attachment #4 as submitted for Fire Protection and Life Safety Evaluation. Lessor shall ensure and provide as necessary at Lessor expense, all Fire and Life Safety improvements of this SFO to ensure that the building meets all local and national codes including NFPA 101. Exit separation shall be in accordance with the terms of Attachment #4. Lessor agrees to make improvements specified as part of the Attachment #4 and as recommended by GSA fire safety review. All improvements must be made prior to the Government's acceptance of space.

P. A copy of the seismic certificate is attached as Attachment C. Prior to occupancy, Lessor agrees to furnish or update a seismic certification showing that the building construction fully complies with section 2.2 "Accessibility and Seismic Safety" of the SFO.

Q. Lessor and the Government have agreed to a schedule for the design, construction and delivery of space that is consistent with the terms and the timeframes set forth in the SFO. The agreed upon schedule is attached as Attachment J. Should either the Government or the Lessor fail to discharge their responsibilities as defined herein within the time allocated under the agreed upon construction schedule, such failure shall constitute "delay," unless it is Excusable Delay. Delay caused by either party may be offset by the early completion of that party's other responsibilities within the schedule. The absolute value of the number of days of one party's delay minus the number of days of the remaining party's delays shall equal the total number of days of delay for a given stage of the schedule. Delay in substantial completion shall then be attributable to the party having caused the greatest number of days of delay and shall be termed either "Government Delay" or "Lessor Delay" as appropriate.

If Government Delay occurs, then the rent commencement date shall be the same number of days earlier than the acceptance date as the number of days of Government Delay. Any rental paid by the Government prior to actual occupancy shall be less the cost for variable services and utilities not provided to the premises. In any event, the Government will not be required to accept space and commence rent prior to the original date as indicated in the "Occupancy Date" paragraph of the SFO, unless otherwise agreed to by the Government. Each day of Lessor Delay will be governed by Paragraph 3.13 of the SFO.

Following lease award the parties will meet and negotiate in good faith in an attempt to agree upon a revised schedule that achieves, at no additional expense to either party, a final completion date which might be sooner than is set forth in the schedule attached to the lease as Attachment J. Absent such an agreement, Attachment J will govern.

R. The following shall be inserted at the end of General Clause 14:

"Notwithstanding the foregoing, the Government's right to make deductions as set forth above shall be limited each lease year to an amount that is the greater of :

- 1) the operating cost base as set forth in Subparagraph 6(E) of the SF 2 together with the adjustment provided by Paragraphs 3.7 and 3.8 of the SFO in effect for the lease year at the time of the proposed deduction: or
- 2) the difference between the total annual rent as adjusted for the lease year at the time of the proposed deduction and the total amount of the payments due on the first mortgage or deed or trust in that lease year. At the request of the Contracting Officer, Lessor shall, from time to time, provide the Government with proof, satisfactory to the Government, of the total amount of payments due on the first mortgage or deed of trust for any given lease year.

Any amounts not deducted in a given lease year may be deducted in a subsequent lease year provided that the annual limit on the right to make deductions is not exceeded in the subsequent lease year."

annual limit on the right to make deductions is not exceeded in the subsequent lease year."

S. The following shall be inserted at the end of General Clause 17:

"In addition to the provision set forth above, the Government agrees not to exercise its option to terminate the lease in the event of partial damage or destruction so long as Lessor is diligently prosecuting the repair and restoration, and all of the following conditions are met:

A. The partial damage or destruction is less than 25% of the Premises;

B. The remainder of the Premises is tenantable and may be used for the purpose for which they were leased;

C. Lessor can demonstrate to the Government's satisfaction that the repair or restoration of the Premises to the condition that existed immediately prior to the damage or destruction can be substantially completed and the Premises reoccupied within 365 days of the damage or destruction and without unreasonable interference to the occupancy of the remainder of the Premises; and

D. Lessor gives the Government a credit for the rent paid by the Government for substitute space in excess of the rent for the same amount of space that would have been due under this lease, and reimburses the Government for its costs to move and return to the leased space."

T. Prior to exercising a right to terminate the lease under General Clause 11 or 16(a) or any other provision of the lease, the Government will provide Lessor with written notice of the claimed default and use reasonable efforts to provide the notice to one lender as identified by Lessor as its lender (as long as the Government is provided with the address for notification to the Lender), which notice shall provide Lessor and/or its Lender with at least a thirty (30) day period in which to cure the default. In addition, prior to exercising a right to terminate the Lease under General Clause 11 or 16 (a) (1), or any other provision of the lease, the Government shall provide Lessor and its Lender with such additional time to cure the default as is necessary provided that Lessor shows to the reasonable satisfaction of the Government that (1) it is diligently prosecuting the work required to cure the default, and (2) the default will be cured within a reasonable period of time, not to exceed a total of ninety (90) days, as determined by the Government. Any such additional time to cure the default shall be conditioned upon Lessor's continuing to diligently pursue the cure of the default throughout the period and upon a demonstration by the Lessor to the reasonable satisfaction of the Contracting Officer through the submission of a detailed schedule and construction management plan (including, if necessary, the use of double shifts, overtime, expedited shipping, and other appropriate acceleration strategies) that the default can be cured within a reasonable period of time which shall not exceed 90 days. Notwithstanding the opportunity to cure a default as provided herein, Lessor shall remain liable for any damages that result from its failure to perform its obligations in accordance with the Lease. Notwithstanding anything else in this Subparagraph T, if the default is of a health or life threatening nature, this Subparagraph T shall not apply and the Government may exercise its rights as stated in General Clauses 11 and/or 16(a).

U. In giving or withholding its reasonable consent to assignment under General Clause 2, the Lessor may consider the creditworthiness of the proposed assignee and its comparability to Government's as viewed by the financing markets, and the purpose for which the assignee will use the space. The failure of the Lessor to object to an assignment within fourteen (14) calendar days, shall be deemed to be a consent to the assignment. The Government shall notify Lessor within 10 days of any subletting.

V. Subparagraph 1.11 (A)(3) of the SFO shall be deleted in its entirety and the following is inserted in lieu thereof:

"If it is anticipated that the Government will spend more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvements requirements, 2) arrange separate payment for the overage, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease. If the Government exercises its right to make separate payment for the overage, the payment method shall be as negotiated and agreed between the Lessor and the Government prior to construction of that portion of the Tenant Improvements that exceeds the Tenant Improvement allowance. The parties understand that the payment method must comply with 41 U.S.C. 255(d) and may model contract financing methods found in FAR Part 32. The negotiated payment method and related terms will be memorialized in a Supplemental Lease Agreement."

W. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

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

- A. Floor Plans of the Leased Premises, Parking Plans, and Site Plans - 7 pages
- B. Solicitation For Offers No. 08-040, as amended - 49 pages
- C. Attachment #4 Fire Life Safety Evaluation -5 pages
- D. Pre-Lease Security Report-6 pages and attachment
- E. Seismic Certificate- 2 pages
- F. GSA Form 1217 -1 page
- G. GSA Form 3517 - 32 pages
- H. GSA Form 3518 -6 pages
- I. LEED Scorecard - 4 pages
- J. Schedule for design, construction, and delivery of space -1 page

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

Paragraphs 4 and 5 have been deleted in the entirety. SFO Attachments 2 and 3 have been intentionally omitted.

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

Lessor: ASHTON PARK ASSOCIATES I, LLC,
a Virginia limited liability company

By: FOUNDERS REALTY, LLC,
a Virginia limited liability company, its manager

By: THE STATE OF VIRGINIA
a Virginia member

By: [Redacted]
Name: [Redacted]
MANAGER

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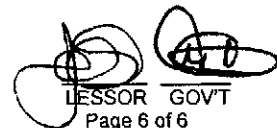
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