

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

14 March 2011

LEASE NO.

GS-03B-11325

THIS LEASE, made and entered into this date by and between BGK Main Street Tower Operating Associates, LP

whose address is 330 Garfield Street  
Suite 200  
Santa Fe, New Mexico 87501-2612

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:

119,761 Rentable Square Feet yielding approximately 104,140 ANSI/BOMA Office Area square feet and related space located on the 4<sup>th</sup> through 11<sup>th</sup> Floors, at 300 East Main Street, Norfolk, Virginia 23510-1753, together with twenty-five (25) reserved structured parking spaces to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 14 through See Lease Rider Paragraph 14, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor annual rent of See Lease Rider Paragraph 14 at the rate of See Lease Rider Paragraph 14 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

BGK Main Street Tower Operating Associates, LP  
C/O Harvcy Lindsay Commercial Real Estate  
999 Waterside Drive  
Norfolk, Virginia 23510-3300

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5<sup>th</sup>) full year of occupancy by giving at least sixty (60) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

~~5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:  
{Number of Options} {Option Term} year period(s) at the annual rental of \$ \_\_\_\_\_ (\$ \_\_\_\_\_ per ABOA square foot);  
plus accrued operating cost escalations provided notice be given in writing to the Lessor at least \_\_\_\_\_ days  
before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the  
same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

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

A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.

B. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value, not including tenant improvements, of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker 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]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell 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 month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment of \$206,887.13 minus prorated Commission Credit of [REDACTED] equals [REDACTED]  
adjusted First Month's Rent.\*

Second Month's Rental Payment shall commence in full.

SR CSW

\*subject to adjustment upon determination of actual TI expenditure

7. The following are attached and made a part hereof:
- A. Rider to Lease GS-03B-11325(4 pages)
  - B. Fire Protection and Safety Management Survey Report dated August 28, 2010 (9 pages)
  - C. Solicitation for Offers (SFO) # 9VA2140 dated 7/28/2010 (48 pages)
  - D. SFO Amendment #1 dated November 30, 2010 (3 pages)
  - E. GSA Form 3517B, "General Clauses" version dated 11/05 (33 pages)
  - F. GSA Form 3518, "Representations and Certifications" version dated 1/07 (7 pages)
  - G. Floor Plan(s) {Exhibit #A} (8 pages)
  - H. Site Plan (Exhibit #B) (1 page)

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

Paragraph 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through ~~19~~ <sup>20 SR</sup> have been added.

This lease contains 115 pages

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

LESSOR BGK Main Street Tower Operating Associates, LP

BY



**Willoughby**  
**Executive Vice President**

(Signature)

IN PRESENCE OF



**330 Garfield Street**  
**Santa Fe, NM 87501**

(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY



**Contracting Officer**

(Signature)

(Official title)

*SR CW*

9. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to 64.07% percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 119,761 rentable square feet by the total building space of 186,933 rentable square feet.

11. Common Area Factor

The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet (ABOA) to determine the rentable square feet is 1.15 (119,761RSF/104,140 ABOA SF).

12. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$5.12 per rentable square foot (RSF), is acceptable. This figure includes the Government's pro-rata share of operating costs.

13. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the lessor shall notify the Contracting Officer, in writing, at least thirty (30) calendar days and no more than sixty (60) calendar days prior to the time the option must be exercised. In the event the lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

14. 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 one hundred twenty (120) calendar days from the date of notice to proceed with the construction of the tenant improvements. The Government preference is for the Lessor to complete the expansion space first and complete the remaining

Lessor                      Government

RIDER TO LEASE GS-03B-11325

floors thereafter. 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 ten (10) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

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 5:**

**Total Annual Rent:** \$2,482,645.50 per year or \$206,887.125 per month.

**Shell Rent:** \$1,362,864.24 per year or \$11.38 per Rentable Square Foot (RSF)

**Amortized annual cost for Building-Specific Security**  
\$23,748.95 per year

**Amortized annual cost for Tenant Improvement Allowance\*:**  
\$483,196.31 per year

**Interest rate** at which Tenant Alterations and Building-Specific Security are amortized: six percent (6%)

**Annual Cost of Services:** \$612,836.00 per year or \$5.12 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3, "Operating Costs"

**Parking:** Twenty-five (25) reserved structured parking spaces will be provided at no additional cost.

Lessor     *CW*     Government     *SR*

**Years 6 through 10:**

**Total Annual Rent:** \$2,215,578.50 per year or \$184,631.54 per month.

**Shell Rent:** \$1,602,742.50 per year or \$13.38 per Rentable Square Foot (RSF)

**Annual Cost of Services:** \$612,836.00 per year or \$5.12 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3, "Operating Costs"

**Parking:** Twenty-five (25) reserved structured parking spaces will be provided at no additional cost.

\*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$2,082,800.00 or \$20.00 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the six percent (6%) amortization rate over the firm term of five (5) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the six percent (6%) amortization rate.

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 addition to the \$20.00/ ABOA SF stated in the SFO for Tenant Improvement Allowance, the Lessor has offered a CAP of an additional \$12.00/ABOA SF for Tenant Improvement costs.

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.

Lessor *CW* Government *SR*

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15. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.1, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is five percent (5%) of Total Construction costs.
16. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$25.00 per hour per floor. 24 hr HVAC usage will be charged at the rate of \$5.00/sq ft per annum.
17. In accordance with Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$2.25 per ANSI/BOMA Office Area square foot.
18. Acceptance of space by the Government is contingent upon the lessor implementing the following, which must be addressed or completed prior to occupancy as part of shell requirements:
- A. Exit doors from the space need to swing in the direction of egress travel.
  - B. All recommendations listed in the Fire Protection and Safety Management Survey Report dated August 28, 2010, attached to this lease.
  - C. In addition to the above, Lessor must comply with all Fire and Life Safety requirements as stated in the lease and throughout the lease term.
19. Definitions:
- A. Where the word "Offeror" appears it shall be considered "Lessor".
  - B. Where the word "should" appears it shall be considered to be "shall".
  - C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease".
20. This new Lease (#GS-03B-11325), is contingent upon full execution of a Supplemental Lease Agreement (SLA) between the Government (Lessee) and BGK Main Street Tower Operating Associates, LP (Lessor); which would extend the existing lease terms & conditions and Lease Expiration Date of the current Lease (#GS-03B-60026), until the Lease Commencement Date of the new Lease (#GS-03B-11325), at which Lease #GS-03B-60026 will terminate in its entirety.

Lessor  Government 