

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

11/1/11

LEASE NO.

GS-03B-12103

THIS LEASE, made and entered into this date by and between

9911 JDH, LLC
c/o Ratner Companies

whose address is 1577 Spring Hill Road
Suite 500
Vienna, VA 22182-2223

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:

9,139 Rentable Square Feet yielding approximately 8,385 ANSI/BOMA Office Area square feet and related space located on the First Floor of the building known as Cosner's Corner, 9911 Jefferson Davis Highway, Fredericksburg, VA 22047-0000, as depicted on Exhibit A.

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 12 through See Lease Rider Paragraph 12, 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 12 at the rate of \$ See Lease Rider Paragraph 12 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

9911 JDH, LLC
1577 Spring Hill Road
Suite 500
Vienna, VA 22182-2223

4. The Government may terminate this lease in whole or in part effective at any time after the eighth (8) full year of occupancy by giving at least sixty (60) calendar 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.

- 7. The following are attached and made a part hereof:
 - A. Rider to Lease GS-03B-12103
 - B. Solicitation for Offers # 9VA2389
 - C. Program of Requirements
 - D. Solicitation for Offers # 9VA2389 Amendments # 1,2,3
 - E. GSA Form 3517, "General Clauses"
 - F. GSA Form 3518, "Representations and Certifications"
 - G. Design Layout - Exhibit A
 - H. 9911 JDH, LLC's Technical Proposal dated July 15, 2011 *(Incorporated by Reference)*

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

Paragraph 5 of Standard Form 2 has been deleted in its entirety

This lease contains 154 pages

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

LESSOR: 9911 JDH, LLC

9911 JDH, LLC
 c/o Ratner Companies
 1577 Spring Hill Rd., Ste. 500, Vienna, VA 22182
 (Address)

9911 JDH, LLC
 c/o RATNER COMPANIES
 1577 SPRING HILL RD., STE 500, VIENNA, VA 22182
 (Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY _____

Contracting Officer
 (Official title)

9. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officer 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 54.79% of the total space available in the lessor's building, and such percentage 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 9,139 rentable square feet by the total building space of 16,680 rentable square feet.

11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$8.28 per Rentable Square Foot is acceptable. This figure includes the Government's pro-rata share of operating costs.

12. 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. 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:

Lessor  Government 

RIDER TO LEASE GS-03B-12103

Years 1 through 8:

The total annual rent of \$303,298.47 breaks down as follows:

Shell Rent: \$185,613.09

Amortized annual cost for Tenant Improvements: \$40,139.46 per year

Interest rate at which Tenant Alterations are amortized: 0%

Amortized annual cost for Building Specific Security: \$1,875.00 per year

Annual Cost of Services: \$75,670.92 per year, plus accrued escalations per Paragraph 4.3, "Operating Costs"

Years 9 through 10:

The total annual rent of \$285,410.97 breaks down as follows:

Shell Rent: \$209,740.05 per year



Annual Cost of Services: \$75,670.92 per year, plus accrued escalations per Paragraph 4.3, "Operating Costs"

In addition to the Annual Rental described above, upon Substantial Completion and Official Government Acceptance of the leased premises, the Government agrees to pay the Lessor a one time lump sum payment in the amount of **\$30,947.36**.

After inspection and acceptance of work by the Government, a properly executed original invoice shall be forwarded to:

General Services Administration (GSA)
Greater Southwest Region (7BC)
P.O. Box 17181
Fort Worth, TX 76102-0181

4 of 154

Lessor  Government 

RIDER TO LEASE GS-03B-12103

A copy of the invoice must also be mailed to:

GSA, Public Buildings Service
Attn: Brian Brophy, Contracting Officer
20 North 8th Street, 8th Floor
Philadelphia, PA 19107-3191

For an invoice to be considered proper, it must:

1. Be received after the execution of this SLA
2. Reference the Pegasys Document Number (PDN) – **PS0021890**
3. Include a unique, vendor-supplied, invoice number
4. Indicate the exact payment amount requested, and
5. Specify the payee's name and address.

Payment will be due within thirty (30) calendar days after GSA's designated billing office receives a properly executed invoice or acceptance of the work by the Government, whichever is later.

The parties hereby agree that this is a turnkey project. No cash tenant improvement allowance is included. The Lessor will deliver the described space and improvements as part of the rental rate. The cost of the construction and installation of improvements to the lease premises above the base building shell includes, but is not limited to, the following: the cost of all alterations outlined in the SFO/POR; design plan (Exhibit A); construction drawings; the preparation of the construction drawings; and construction administration.

13. In accordance with Paragraph 3.2, "GSA Forms and Pricing Information" and Paragraph 5.1, "Tenant Improvements Pricing Requirements" of the Lease, the Lessor's Tenant Improvement Overhead & Profit fee for change orders is established as follows:

- 1) Overhead & Profit fee charged by the Lessor for Tenant Improvement change orders requested by the Government is 8% of Total Tenant Improvement Change Order Construction Costs.

14. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime HVAC services is \$45.00 per hour.

5 of 154

Lessor  Government 

RIDER TO LEASE GS-03B-12103

15. In accordance with Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy the entire portion of the lease premises or vacates the premises in whole prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$2.00 per ANSI/BOMA Office Area square foot.

16. The lessor shall cure the following fire/life safety issues before the space is accepted by the Government:

- A system shall be installed to allow for electronic monitoring of the sprinkler system

17. 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"

Lessor  Government 