

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE DEC 13 2011

LEASE No. GS-11B-12503

THIS LEASE, made and entered into this date between **Kingstown KVP South L.P.**
whose address is **2900 Linden Lane, Suite 300**
Silver Spring, MD 20910-1299

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 29,053 BOMA Rentable Square Feet (BRSF) (yielding 26,456 BOMA Office Area Square Feet (BOASF)) located on a portion of the First (1st) floor and Mezzanine in the building located at 8550 Cinder Bed Road, Lorton, VA 22079-1442 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A – Floor plan of leased premises). Additionally, the Government shall be entitled to use of two (2) on-site reserved parking spaces for Official Government Vehicles at no additional cost to the Government.

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 # OVA2256 and continuing for 10 years from the commencement date and subject to termination and renewal rights as may be hereinafter set forth. The commencement date and term shall be established in accordance with the SFO and will be memorialized in a Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$812,031.35 (\$27.95/BRSF) at the rate of \$67,669.28 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **Kingstown KVP South L.P.**, 2900 Linden Lane, Suite 300, Silver Spring, MD 20910-1299 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent to be applied as follows: a portion of the monthly shell rent shall be partially abated during the first five (5) months of the lease term, as related to the agreed upon commission credit as more fully set forth in paragraph 6(E) below.

4. Intentionally Deleted

5. The Government may renew the Lease for a term of five (5) years at the annual rental rate of \$862,874.10 (\$29.70/BRSF) at the rate of \$71,906.18 per month in arrears plus accrued operating costs and real estate tax adjustments as set forth below. Real Estate Tax Adjustments in accordance with Paragraph 4.2 of the SFO and Operating Cost increases or decrease in accordance with Paragraph 4.3 of the SFO shall continue with Base Year for Operating Expenses and Real Estate Taxes remaining the same as originally established in accordance with this Standard Form 2. All other terms and conditions of the Lease remain the same.

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. FIRE PROTECTION and LIFE SAFETY: Notwithstanding any other provision of the Lease, within 90 days of execution of this lease, the Lessor shall correct all deficiencies and comply with all of the recommendations and finding of the attachment C, Fire Protection and Life Safety Evaluation report prepared by the Lessor's Certified Fire Protection Engineer, as well as comply with all fire protection provisions of this lease and Rider # 1 – Fire Protection and Life Safety, and the recommendations and findings of the GSA Fire Protection Engineer Section's review of the report. A copy of the Fire Protection and Life Safety report attached hereto and made a part hereof.

C. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$1,206,129.04 (\$45.59/BOASF). 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 3.3 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, with the \$45.59/BOA being amortized at a rate of 8% over the ten-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% 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 3.2 "Tenant Improvements included in the Offer," and Paragraph 3.3 "Tenant Improvement Rental Adjustment."

D. The following limits on markups shall apply to all tenant improvements pertaining to the build out of the space, including change orders: Offeror's General Contractor's fee shall not exceed 3%, Lessor's overhead, profit, and project management fees shall not exceed 2%, general conditions shall not exceed 4%, and architectural/engineering cost shall not exceed \$2.00/BOASF.

E. In accordance with Paragraph 2.5 "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 ten (10) year firm term. The total amount of the commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. In accordance with the "Broker Commission and Commission Credit" paragraph, \$ [REDACTED] of the Commission will be payable to Studley, Inc., as follows: (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. The commission installments shall be payable within 30 days of the receipt of an invoice to Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004. The remaining [REDACTED] which is the "Commission Credit", is to be credited to the shell rent portion of the annual rent payments due and owing to fully recapture this Commission Credit.

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 the Commission Credit of [REDACTED]. The reduction in shell rent shall commence with the First (1st) month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First (1st) Month's Rental Payment of \$67,669.28 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First (1st) Month's Rent.

Second (2nd) Month's Rental Payment of \$67,669.28 minus prorated Commission Credit of [REDACTED] equals \$35,188.03 adjusted Second (2nd) Month's Rent.

Third (3rd) Month's Rental Payment of \$67,669.28 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third (3rd) Month's Rent.

Fourth (4th) Month's Rental Payment of \$67,669.28 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth (4th) Month's Rent.

Fifth (5th) Month's Rental Payment of \$67,669.28 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth (5th) Month's Rent.

F. Pursuant to Paragraph 4.1(C) of the SFO, the Common Area Factor is determined to be 1.0981629, calculated as follows: 29,053 BRSF/26,456 BOASF.

G. For purposes of Paragraphs 4.2 of the SFO, as of the date hereof, the Government's percentage of occupancy is 57.19% based on occupancy of 29,053 BRSF in a building of 50,802 BRSF. If any tax credit is due to the Government as a result of Lessor's appeal of the tax assessment during the lease term, the credit to the Government shall be net of the Government's percentage of occupancy share of the reasonable costs of the appeal.

H. For purposes of Paragraph 4.3 of the SFO, as of the date hereof, the operating cost base is \$162,696.80 (\$5.60 per BRSF).

I. Pursuant to paragraph 4.4 of the SFO, the adjustment for vacant premises shall be \$2.00/BOASF if the Government vacates the leased space during the term of the lease.

J. Pursuant to Paragraph 4.6 of the SFO, the cost of overtime HVAC (OTHVAC) service within the leased space beyond the required Normal Hours of Operation, noted in Paragraph 4.5 of 7:00 a.m. to 6:00 p.m. Monday through Friday shall be \$0.00 per hour.

K. 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. Exhibit A - Floor Plan of the Leased Area, 1 page
- B. Solicitation For Offers # OVA2256, 56 pages *2*
- C. Fire Protection and Life Safety Rider #1, 1 Page *1*
- D. Fire Protection and Life Safety Evaluation - 20 pages
- E. Pre-Lease Building Security Plan, 6 pages
- F. GSA Form 1217 - Lessor's Annual Cost Statement, 1 page
- G. GSA Form 3517B - General Clauses, 32 pages
- H. GSA Form 3518 - Representations and Certifications, 7 pages
- I. Agency Program of Requirements, 69 pages
- J. Seismic Certification, 14 pages

8. The following changes were made in this lease prior to its execution:
Paragraph 4 has been deleted in its entirety.

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

Lessor: Kingstown KVP South L.P.

By: Sussex Comm [REDACTED]

By: [REDACTED]

IN PRES
OF _____

ADDRESS _____

2900 LINDEN LANE
SUITE 300
SILVER SPRING, MD 20910

UNITED STATES OF AMERICA

CONTRACTING OFFICER