
SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PARTIES (JUN 2012)

This Lease is made and entered into between

VFIII-Fleet, LLC

(Lessor), a Virginia limited liability corporation and whose interest in the Property described herein is that of fee simple title owner or has a leasehold interest in the ground and outright ownership of the improvements for a term (including Lessor's renewal options) that is at least as long as the term of this Lease, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

1.02 THE PREMISES (SEP 2012)

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

Fleet Distribution Center, 6307-6309 Gravel Avenue, Franconia, Virginia 22304-0001

and more fully described in Exhibit x, together with rights to use the appurtenant areas, including, but not limited to, parking, satellite dishes, antennas, and related transmission devices, and other areas as set forth herein. This Lease establishes various requirements relating to the Building Shell. Such requirements are not deemed Tenant Improvements (TIs). For anything to be considered TI it must specifically be so identified. Otherwise, it shall be considered Building Shell. Unless specifically identified in this Lease as a TI, all work to ready the Premises for Lessee's occupancy shall be provided and performed at Lessor's sole cost and expense and will not be applied against any Tenant Improvement Allowance (TIA).

The Premises are described as follows:

Warehouse and Related Space: 67,460 rentable square feet in accordance with ANSI/BOMA Standard Z65.2-2009, Method "A" (Exterior Wall Methodology) (for industrial buildings), excluding any mezzanine space (hereinafter referred to as ANSI/BOMA RSF):

1.2(a) Warehouse/Storage Space: 62,442 ANSI/BOMA RSF, in a single-story building,

1.2(b) Office Space: 5,018 ANSI/BOMA RSF.

1.2(c) Total Space: 67,460 ANSI/BOMA RSF.

1.2(d) Loading Docks:

A minimum of four (4) loading docks and two (2) drive up docks shall be provided for the exclusive use of the Government. One (1) loading dock shall have a leveler and allow a 24'-0" commercial box truck entry.

1.2(e) Heating, Ventilation, Air-Conditioning, and Humidity Control:

- (1) Warehouse Area Type 1 (more specifically defined in Exhibit A): HVAC system (constant volume system with heating in a DX roof top unit or ground mounted gas fired or electric unit or other system acceptable to the LCO) capable of maintaining a temperature within a range of 55 to 75 degrees Fahrenheit (with all doors closed) year round throughout the warehouse area shall be installed and operational, including, as appropriate, main and branch lines, dampers, flex ducts, and diffusers, for an open warehouse layout. Heating, ventilation, air-conditioning, and humidity control as defined herein shall be provided during Normal Hours. Areas having excessive heat gain or heat loss, or affected by solar radiation at different times of the day, shall be independently controlled. Package units shall be controlled by individual thermostats mounted in the area of the units, or controlled from a central master time clock of the 7-day type with a separate manual override switch (12 hours) or other automatic means to permit setback of temperature at night and on weekends. All controlled thermostats shall be capable of locking to prevent adjustment by unauthorized persons, and shall be secured from manual operation by key or locked cage. A key shall be provided to the LCO. Central air rotation units will be acceptable if loading dock areas are equipped with unit heaters for direct heating over doors. In the warehouse area, package units shall be mounted tight to the ceiling for maximum headroom.
- (2) Warehouse Area Type 2 (more specifically defined in Exhibit A): Temperature control for all warehouse areas shall be provided by ceiling mounted heating equipment capable of maintaining a minimum temperature of 55 degrees Fahrenheit (with all doors closed) throughout the warehouse area during the heating season regardless of the outside temperature. Unit heaters shall be controlled by individual thermostats mounted in the area of the unit heaters, or controlled from a central master time clock of the 7-day type with a separate manual override switch (12 hours) or other automatic means to permit setback of temperature at night and on weekends. Thermostats

shall be secured from manual operation by key or locked cage. A key shall be provided to the Government's designated representative. Central air rotation units will be acceptable if loading dock areas are equipped with unit heaters for direct heating over doors. In the warehouse area, unit heaters shall be mounted tight to the ceiling for maximum headroom. Lessor shall provide ventilation/air circulation in accordance with [the latest version of ASHRAE 62.1].

LESSOR SHALL PROVIDE VENTILATION/AIR CIRCULATION IN ACCORDANCE WITH THE LATEST VERSION OF ASHRAE 62.1.

- (3) Office areas: Temperature control for non-warehouse areas shall be provided by concealed central heating and air conditioning equipment capable of maintaining a temperature of 72 degrees Fahrenheit year round. The equipment shall maintain space temperature control over a range of internal load fluctuations of per the latest version (2010 as of Sept 2012) of ASHRAE 62.1.

Warehouse and Office areas: HVAC systems must conform to the IBC (International Building Code) or the locally approved building code.

A. Any ductwork to be reused and/or to remain in place shall be cleaned, tested, and demonstrated to be clean in accordance with the standards set forth by NADCA. The cleaning, testing, and demonstration shall occur immediately prior to Government occupancy to avoid contamination from construction dust and other airborne particulates. A copy of the report on the ductwork's condition shall be furnished to the Government.

B. During working hours in periods of heating and cooling, ventilation shall be provided for the office area(s) in accordance with the latest edition of ANSI/ASHRAE Standard 62.1, *Ventilation for Acceptable Indoor Air Quality*.

C. Air filtration shall be provided and maintained with filters having a minimum efficiency rating as determined by ASHRAE Standard 62.1. Filters in the warehouse use area shall have a minimum MERV efficiency of 6. Pre-filters (if any) and final filters in any finished areas (e.g., office or lab space) shall have a MERV efficiency in accordance with ASHRAE 62.1.

D. Toilet rooms shall be properly exhausted, with a minimum of 10 air changes per hour. The exhaust fan systems shall be provided with a 24/7 seven day clock to allow programming.

1.03 EXPRESS APPURTENANT RIGHTS (JUN 2012)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. Automobile Parking:

25 parking spaces (two (2) of which will be used for CDL trucks) as depicted on the plan attached hereto as Exhibit B of which 25 spaces shall be marked as reserved for the exclusive use of the Government. In addition, the Lessor shall provide such additional automobile parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property. All spaces must be secured and lit in accordance with the Security Requirements set forth in this Lease. The cost of this parking shall be included as part of the rental consideration.

B. Route:

(1) At least one accessible route having no steps or abrupt changes in level shall connect with all accessible elements, spaces, buildings, and courses of passage. The minimum clear width of an accessible route shall be 36 inches. If an accessible route is less than 60 inches in width then it shall have level passing zones, spaced at no more than 200 feet apart, measuring a minimum of 60 inches by 60 inches.

(2) Objects projecting from walls with their leading edges between 27 and 80 inches above the finished floor shall protrude no more than 4 inches into an accessible route. Freestanding objects mounted on posts or pylons may overhang 12 inches maximum from 27 to 80 inches above the ground or the finished floor. Objects mounted with their leading edges at or below 27 inches above the finished floor may protrude any distance. However, no protruding objects shall reduce the clear width of an accessible route or maneuvering space. If vertical clearance of an area adjoining an accessible route is reduced to less than 80 inches, a barrier to warn blind or visually impaired persons shall be provided.

(3) Mechanical rooms and spaces which are not normally frequented by the public or occupants and are not part of an accessible or emergency route are exempted and need not be accessible.

(4) Gratings in a route surface shall have spaces no wider than ½ inch in one direction and shall be placed so that the long dimension of openings is perpendicular to the dominant direction of travel.

C. Ramps:

Any part of an accessible route with a slope greater than 1 foot rise in 20 feet shall be considered a ramp. Where ramps are necessary, they shall have a non-slip surface with a slope no greater than 1 foot rise in 12 feet. Ramps must have a minimum clear width of 3 feet with level landings at the top and bottom of each ramp run. Each landing shall be at least 5 feet in length and as wide as any ramp run leading into it. The maximum rise for any run shall be 30 inches. Intermediate landings for turning ramps shall measure a minimum of 5 feet by 5 feet. Handrails complying with "HANDRAILS" shall be provided on both sides of all ramps with a vertical rise greater than 6 inches. Ramps with drop-offs shall have curbs (minimum 2 inches high), walls, railings or projecting surfaces. Curb ramps shall be provided wherever an accessible route crosses a curb. Curb ramps shall not interfere with walks or vehicular traffic. The maximum slope of a curb ramp shall be a 1 inch rise per 12 inch run. The maximum length of a curb ramp shall be 6 feet with a minimum width of 36 inches, exclusive of flared sides. If no other alternative is feasible, accessible platform lifts may be used in lieu of a ramp or elevator. Lifts shall have accessible controls and clearances, shall comply with applicable safety regulations, and should facilitate unassisted entry and exit.

1.04 LEASE TERM (SEP 2012)

To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of:

Five (5) years firm plus a five [REDACTED]

subject to termination and renewal rights as may be hereinafter set forth. The Lease Term Commencement Date shall be October 18, 2014 and the expiration date of this Lease shall be October 17, 2019.

1.05 DATE OF EXPECTED OCCUPANCY (SEP 2012)

Occupancy is required on October 18, 2014.

1.06 ~~LEASE TERM COMMENCEMENT DATE AND RENT RECONCILIATION (SEP 2012)~~ INTENTIONALLY DELETED

~~At acceptance, the Space shall be measured in accordance with the standards set forth in this Lease to determine the total ANSI/BOMA RSF in the Space. The rent for the Space will be adjusted based upon the measured ANSI/BOMA RSF as outlined under the Payment clause of this Lease. At acceptance, the Lease term shall commence. The Lease Term Commencement Date, final measurement of the Space, reconciliation of the annual rent, and amount of Commission Credit, if any, shall be memorialized by Lease Amendment.~~

1.07 ~~TERMINATION RIGHTS (AUG 2011)~~ INTENTIONALLY DELETED

1.08 RENEWAL RIGHTS (AUG 2011)

This Lease may be renewed at the option of the Government for a term of [REDACTED] at the following rental rate(s):

	OPTION TERM, [REDACTED]
	ANNUAL RENT ANNUAL RATE / RSF
SHELL RENTAL RATE	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

provided notice is given to the Lessor at least 180 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

1.09 RENT AND OTHER CONSIDERATION (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM	
	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	\$766,300.69	\$11.36 ²
TENANT IMPROVEMENTS RENT ¹	\$ 105,102.68	\$1.56 ²
OPERATING COSTS (EXCLUDES REAL ESTATE TAXES)	\$ 247,758.03	\$3.67
BUILDING SPECIFIC SECURITY	N/A	N/A
REAL ESTATE TAXES	ESCALATION OVER THE BASE	N/A
TOTAL BASE ANNUAL RENT	\$1,119,161.40	\$16.59

¹The Tenant Improvement Allowance of \$525,513.40 is amortized at a rate of 0 percent per annum over five (5) years.

²Rounded

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 67,460 ANSI/BOMA Standard Z65.2-2009 RSF (based upon the methodology outlined under the "Payment" paragraph in Section 6 "Additional Terms and Conditions" hereinafter).

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the "Payment By Electronic Funds Transfer – Central Contractor Registration" paragraph in Section 6 "Additional Terms and Conditions" hereinafter. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses, and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities (with the exclusion of XX), maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. ~~The Government shall be responsible for paying the cost of XX directly to the utility provider. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible.~~ In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

1.10 TENANT IMPROVEMENT ALLOWANCE (SEP 2012)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$7.79 per ANSI/BOMA RSF. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent.

1.11 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.12 TENANT IMPROVEMENT FEE SCHEDULE (SEP 2012)

For pricing TI Costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ANSI/BOMA RSF OR % OF TI CONSTRUCTION COSTS)	8%
GENERAL CONTRACTOR FEES (% OF TI CONSTRUCTION COSTS)	8%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	0%

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (SEP 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 13.80 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 67,460 RSF by the total Building space of 488,768 RSF.

(See also "Real Estate Tax Adjustment" in Section 2).

1.14 REAL ESTATE TAX BASE (SEP 2012)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment", shall be set in accordance with Section 1.15, REAL ESTATE TAX ADJUSTMENT (SEP 2012).

1.15 REAL ESTATE TAX ADJUSTMENT (SEP 2012)

A. Purpose: This paragraph provides for adjustment in the rent (tax adjustment) to account for increases or decreases in Real Estate Taxes for the Property after the establishment of the Real Estate Tax Base, as those terms are defined herein. Tax adjustments shall be calculated in accordance with this paragraph.

B. Definitions: The following definitions apply to the use of the terms within this paragraph:

Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas to which the Government is granted rights).

Real Estate Taxes are those taxes that are levied upon the owners of real property by a Taxing Authority (as hereinafter defined) of a State or local Government on an ad valorem basis to raise general revenue for funding the provision of government services. The term excludes, without limitation, special assessments for specific purposes, assessments for business improvement districts, and/or community development assessments.

Taxing Authority is a state, commonwealth, territory, county, city, parish, or political subdivision thereof, authorized by law to levy, assess, and collect Real Estate Taxes.

Tax year refers to the 12-month period adopted by a Taxing Authority as its fiscal year for assessing Real Estate Taxes on an annual basis.

Tax Abatement is an authorized reduction in the Lessor's liability for Real Estate Taxes below that determined by applying the generally applicable real estate tax rate to the Fully Assessed (as hereinafter defined) valuation of the Property.

Unadjusted Real Estate Taxes are the full amount of Real Estate Taxes that would be assessed for the Property for one full Tax Year without regard to the Lessor's entitlement to any Tax Abatements (except if such Tax Abatement came into effect after the date of award of the Lease), and not including any late charges, interest, or penalties. If a Tax Abatement comes into effect after the date of award of the Lease, "unadjusted Real Estate Taxes" are the full amount of Real Estate Taxes assessed for the Property for one full Tax Year, less the amount of such Tax Abatement, and not including any late charges, interest, or penalties.

Real Estate Tax Base is the unadjusted Real Estate Taxes for the first full Tax Year following the commencement of the Lease term. If the Real Estate Taxes for that Tax Year are not based upon a Full Assessment of the Property, then the Real Estate Tax Base shall be the Unadjusted Real Estate Taxes for the Property for the first full Tax Year for which the Real Estate Taxes are based upon a Full Assessment. Such first full Tax Year may be hereinafter referred to as the Tax Base Year. Alternatively, the Real Estate Tax Base may be an amount negotiated by the parties that reflects an agreed upon base for a Fully Assessed value of the Property.

The Property is deemed to be Fully Assessed (and Real Estate Taxes are deemed to be based on a Full Assessment) only when a Taxing Authority has, for the purpose of determining the Lessor's liability for Real Estate Taxes, determined a value for the Property taking into account the value of all improvements contemplated for the Property pursuant to the Lease, and issued to the Lessor a tax bill or other notice of levy wherein the Real Estate Taxes for the full Tax Year are based upon such Full Assessment. At no time prior to the issuance of such a bill or notice shall the Property be deemed Fully Assessed.

C. Adjustment for changes in Real Estate Taxes. After the Property is Fully Assessed, the Government shall pay its share of any increases and shall receive its share of any decreases in the Real Estate Taxes for the Property, such share of increases or decreases to be referred to herein as "tax adjustment." The amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base, less the portion of such difference not paid due to a Tax Abatement (except if a Tax Abatement comes into effect after the date of award of the Lease). If a Tax Abatement comes into effect after the date of award of the Lease, the amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base. The Government shall pay the tax adjustment in a single annual lump sum payment to the Lessor. In the event that this tax adjustment results in a credit owed to the Government, the Government may elect to receive payment in the form of a rental credit or lump sum payment.

If the Property contains more than one separately assessed parcel, then more than one tax adjustment shall be determined based upon the Percentage of Occupancy, Real Estate Tax Base, and Real Estate Taxes for each respective parcel.

After commencement of the Lease term, the Lessor shall provide to the LCO copies of all real estate tax bills for the Property, all documentation of Tax Abatements, credits, or refunds, if any, and all notices which may affect the assessed valuation of the Property, for the Tax Year prior to the commencement of the Lease Term, and all such documentation for every year following. Lessor acknowledges that the LCO shall rely on the completeness and accuracy of these submissions in order to establish the Real Estate Tax Base and to determine tax adjustments. The LCO may memorialize the establishment of the Real Estate Tax Base by issuing a unilateral administrative lease agreement indicating the base year, the amount of the Real Estate Tax Base, and the Government's Percentage of Occupancy.

The Real Estate Tax Base is subject to adjustment when increases or decreases to Real Estate Taxes in any Tax Year are attributable to (a) improvements or renovations to the Property not required by this Lease, or (b) changes in net operating income for the Property not derived from this Lease. If either condition results in a change to the Real Estate Taxes, the LCO may re-establish the Real Estate Tax Base as the Unadjusted Real Estate Taxes for the Tax Year the Property is reassessed under such condition, less the amount by which the Unadjusted Real Estate Taxes for the Tax Year prior to reassessment exceeds the prior Real Estate Tax Base.

If this Lease includes any options to renew the term of the Lease, or be otherwise extended, the Real Estate Tax Base for determining tax adjustments during the renewal term or extension shall be the last Real Estate Tax Base established during the base term of the Lease.

If any Real Estate Taxes for the Property are retroactively reduced by a Taxing Authority during the term of the Lease, the Government shall be entitled to a proportional share of any tax refunds to which the Lessor is entitled, calculated in accordance with this Paragraph. Lessor acknowledges that it has an affirmative duty to disclose to the Government any decreases in the Real Estate Taxes paid for the Property during the term of the Lease. Lessor shall annually provide to the LCO all relevant tax records for determining whether a tax adjustment is due, irrespective of whether it seeks an adjustment in any tax year.

If the Lease terminates before the end of a Tax Year, or if rent has been suspended, payment for the Real Estate Tax increase due because of this section for the Tax Year will be prorated based on the number of days that the Lease and the rent were in effect. Any credit due the Government after the expiration or earlier termination of the Lease shall be made by a lump sum payment to the Government or as a rental credit to any succeeding Lease, as determined in the LCO's sole discretion. Lessor shall remit any lump sum payment to the Government within 15 calendar days of payment or credit by the Taxing Authority to Lessor or Lessor's designee. If the credit due to the Government is not paid by the due date, interest shall accrue on the late payment at the rate established by the Secretary of the Treasury under Section 12 of the Contract Disputes Act of 1978, as amended (41 USC § 611), that is in effect on the day after the due date. The interest penalty shall accrue daily on the amount of the credit and shall be compounded in 30-day increments inclusive from the first day after the due date through the payment date. The Government shall have the right to pursue the outstanding balance of any tax credit using all such collection methods as are available to the United States to collect debts. Such collection rights shall survive the expiration of this Lease.

In order to obtain a tax adjustment, the Lessor shall furnish the LCO with copies of all paid tax receipts, or other similar evidence of payment acceptable to the LCO, and a proper invoice (as described hereinafter the paragraph entitled "Prompt Payment") for the requested tax adjustment, including the calculation thereof. All such documents must be received by the LCO within 60 calendar days after the last date the real estate tax payment is due from the Lessor to the Taxing Authority without payment of penalty or interest. FAILURE TO SUBMIT THE PROPER INVOICE AND EVIDENCE OF PAYMENT WITHIN SUCH TIME FRAME SHALL CONSTITUTE A WAIVER OF THE LESSOR'S RIGHT TO RECEIVE A TAX ADJUSTMENT PURSUANT TO THIS PARAGRAPH FOR THE TAX YEAR AFFECTED.

Tax Appeals. If the Government occupies more than 50 percent of the Building by virtue of this and any other Government Lease(s), the Government may, upon reasonable notice, direct the Lessor to initiate a tax appeal, or the Government may elect to contest the assessed valuation on its own behalf or jointly on behalf of Government and the Lessor. If the Government elects to contest the assessed valuation on its own behalf or on behalf of the Government and the Lessor, the Lessor shall cooperate fully with this effort, including, without limitation, furnishing to the Government information necessary to contest the assessed valuation in accordance with the filing requirements of the Taxing Authority, executing documents, providing documentary and testimonial evidence, and verifying the accuracy and completeness of records. If the Lessor initiates an appeal at the direction of the Government, the Government shall have the right to approve the selection of counsel who shall represent the Lessor with regard to such appeal, which approval shall not be unreasonably withheld, conditioned or delayed, and the Lessor shall be entitled to a credit in the amount of its reasonable expenses in pursuing the appeal.

1.16 OPERATING COST BASE (SEP 2012)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$3.67 per ANSI/BOMA RSF (\$247,578.20/annum), which amount represents interior and exterior common area maintenance expenses such as landscaping, parking lot maintenance, utilities, janitorial, snow removal, and certain administrative expenses attributable to occupancy. The Operating Cost Base shall be adjusted and reset solely to adjust for the true cost of water and electricity after the first anniversary of the Lease Term Commencement Date provided that Lessor submits actual invoices for water and electricity provided to the leased premises. The new Operating Cost Base shall be memorialized in a Lease Amendment and rent shall be adjusted accordingly.

A. ~~Lessee's share of tenant operating expenses: _____ percent (____%) as determined by pro-rata ANSI/BOMA RSF of the Premises as compared to the total ANSI/BOMA RSF of the Building or other criteria as described in Addendum _____.~~

(See also "Operating Costs Adjustment" below).

1.17 OPERATING COSTS ADJUSTMENT (SEP 2012)

A. Beginning with the third year of the Lease and each year thereafter, the Government shall pay annual incremental adjusted rent for changes in costs for (exterior) common area maintenance, including landscaping, parking lot maintenance, common area utilities, snow removal, and certain administrative expenses attributable to occupancy.

B. The amount of adjustment will be determined by multiplying the base rate by the annual percent of change in the Cost of Living Index. The percent change will be computed by comparing the index figure published for the month prior to the first anniversary of the Lease Term Commencement Date with the index figure published for the month prior which begins each successive 12-month period. For example, a Lease which commences in June of 2005 would use the index published for May of 2005, and that figure would be compared with the index published for May of 2006, May of 2007, and so on, to determine the percent change. The Cost of Living Index will be measured by the Department of Labor revised Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W), U.S. city average, all items, (1982 to 1984 = 100) published by the Bureau of Labor Statistics. Payment will be made with the monthly installment of fixed rent. Rental adjustments will be effective on the anniversary date of the Lease; however, payment of the adjusted rental rate will become due on the first workday of the second month following the publication of the Cost of Living Index for the month prior to the commencement of each 12-month period.

C. In the event of any decreases in the Cost of Living Index occurring during the term of the occupancy under the Lease, the rental amount will be reduced accordingly. The amount of such reductions will be determined in the same manner as increases in rent provided under this paragraph.

D. If the Government exercises an option to extend the Lease term at the same rate as that of the original term, the option price will be based on the adjustment during the original term. Annual adjustments will continue.

1.18 PARKING (SEP 2012)

Parking shall be provided at a rate of \$0.00 per parking space per month (Structure), and \$0.00 per parking space per month (Surface).

1.19 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. Jones Lang LaSalle Americas, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. 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. Only [redacted] of the Commission will be payable to Jones Lang LaSalle Americas, Inc. with the remaining [redacted] which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully 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:

- Month 1 Rental Payment \$93,263.45 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 1st Month's Rent.*
- Month 2 Rental Payment \$93,263.45 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 2nd Month's Rent.*
- Month 3 Rental Payment \$93,263.45 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 3rd Month's Rent.*
- Month 4 Rental Payment \$93,263.45 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 4th Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.20 PAYMENT OF BROKER (JULY 2011)

If GSA awarded the Lease through its Broker, the Lessor shall pay GSA's Broker its portion of the commission one half upon Lease award and the remaining half upon acceptance of the Space. "Its portion of the commission" means the agreed-upon commission to GSA's Broker minus the Commission Credit specified in the Lease or Lease Amendment.

1.21 SECURITY STANDARDS (JUN 2012)

The Lessor agrees to the requirements of Security Level 2 attached to this Lease.

1.22 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
PARKING & SITE PLAN(S)	1	B
AGENCY PROGRAM OF REQUIREMENTS	57	C
GSA FORM 1217, LESSORS ANNUAL COST STATEMENT	1	D
ISC SECURITY REQUIREMENTS FOR LEVEL 2	6	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	F
GSA FORM 3517B, GENERAL CLAUSES	47	G
OFFEROR'S STATEMENT OF ENERGY EFFICIENCY UPGRADES	1	H
SMALL BUSINESS SUBCONTRACTING PLAN	7	I
RIDER #1 - FIRE PROTECTION & LIFE SAFETY	1	J
RIDER #2 - EXISTING RACKING SYSTEM & DEMISING WORK	1	K

1.23 24-HOUR HVAC REQUIREMENT

The hourly overtime HVAC rate specified in the Lease shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$0.39 per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.