

LEASE NO. GS-11P-LVA12667

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

Cedar Hill II, LLC

(Lessor), whose principal place of business is c/o Redwood Commercial Management, LLC, 5900 Fort Road, Suite 400, Centreville, Virginia 20121, and whose interest in the Property described herein is that of Fee Owner, 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.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

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

2230 Gallows Road, Dunn Loring, Virginia 22027

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the existing square footage of 43,222 rentable square feet (RSF), yielding 39,653 ANSI/BOMA Office Area (ABOA) square feet (SF) of the said Premises (hereinafter referred to as the "Existing Space"), with its appurtenances for a period of

10 years, 7 years firm, commencing October 15, 2014 (hereinafter referred to as the "Existing Space Commencement Date"),

subject to termination and renewal rights as may be hereinafter set forth.

The Premises shall also include an additional 5,339 RSF, yielding 4,898 ABOA SF (hereinafter referred to as the "Expansion Space"), the term of which will begin upon substantial completion and acceptance by the Government of the Expansion Space (hereinafter referred to as the "Expansion Space Commencement Date") as required by this Lease, and will be coterminous with the Existing Space, as identified above, subject to termination and renewal rights as may be hereinafter set forth. Substantial completion and acceptance of the Expansion Space shall be more specifically set forth in a Lease Amendment.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE

[Redacted Signature]

Name: Daniel A. Duck
Title: Managing Member
Entity Name: Cedar Hill II LLC
Date: 12/1/14

[Redacted Signature]

Title: Lease Contracting Officer
General Services Administration, Public Buildings Service

Date: 1/21/2015

[Redacted Signature]

Title: Administrative Assistant
Date: 12-1-14

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: 48,561 rentable square feet (RSF), yielding 44,551 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the entire first (1st) and second (2nd) floors and a portion of the third (3rd) floor of the Building, as depicted on the floor plans attached hereto as Exhibit A.

The Government accepts the Shell and the Tenant Improvements for the Existing Space in their current configuration and existing condition, except that the Lessor shall perform all work described in Section 1.19 of the Lease at its sole cost and expense and shall comply with all Fire Protection and Life Safety requirements, ABAAS requirements, and all local codes and ordinances. Such acceptance by the Government of the Existing Space shall not relieve the Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

B. Common Area Factor: The Common Area Factor (CAF) is established as 9 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

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 Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: 5 parking spaces, reserved for the exclusive use of the Government, of which 5 shall be structured/inside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease. Should the Government elect to install telecommunications equipment on the roof of the Building, access to the roof will be secured and an access protocol will be established in conjunction with the Government and Lessor.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

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

	OCTOBER 15, 2014, TO EXPANSION SPACE COMMENCEMENT DATE (43,222 RSF)	EXPANSION SPACE COMMENCEMENT DATE TO OCTOBER 14, 2021 (48,561 RSF)	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$998,883.47	\$1,104,762.58	\$1,209,168.90
TENANT IMPROVEMENTS RENT ²	\$113,294.29	\$148,727.82	\$0.00
OPERATING COSTS	\$313,359.50 ³	\$352,067.25 ⁴	\$352,067.25 ⁴
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁵	\$31,822.14	\$31,822.14	\$0.00
PARKING ⁶	\$0.00	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$1,457,359.40	\$1,637,379.79	\$1,561,236.15

¹Shell rent calculation:

(October 15, 2014 to Expansion Space Commencement Date): \$23.11 per RSF multiplied by 43,222 RSF (Rate is rounded)
 (Expansion Space Commencement Date to October 14, 2021): \$22.75 per RSF multiplied by 48,561 RSF (Rate is rounded)

(Non Firm Term): \$24.90 per RSF multiplied by 48,561 RSF

²The Tenant Improvement Allowance of \$1,041,094.72 is amortized at a rate of 0 percent per annum over 7 years.

³Operating Costs rent calculation: \$7.25 per RSF multiplied by 43,222 RSF

⁴Operating Costs rent calculation: \$7.25 per RSF multiplied by 48,561 RSF

⁵Building Specific Amortized Capital (BSAC) of \$22,756.00 is amortized at a rate of 0 percent per annum over 7 years

⁶Parking costs described under sub-paragraph H below

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 44,551 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

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. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. 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.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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, and maintenance required for the proper operation of the Property, the Building, and the 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.

H. Parking shall be provided at a rate of \$0 per parking space per month (structured/inside), and \$0 per parking space per month (surface/outside).

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. **CBRE, 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] the Commission will be payable to **CBRE, 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 \$121,446.62 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 1st Month's Rent.*

Month 2 Rental Payment \$121,446.62 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 2nd Month's Rent.*

Month 3 Rental Payment \$121,446.62 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 3rd Month's Rent.*

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

Upon substantial completion and acceptance of the Expansion Premises, the Commission and Commission Credit will be adjusted, if necessary, via Lease Amendment to reflect the Commission earned on the actual Firm Term of the Expansion Premises.

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 180 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (SEP 2013)

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

	OPTION TERM, YEARS [redacted]	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	[redacted]	[redacted]

OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.
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provided notice is given to the Lessor at least 90 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.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLANS	3	A
SECURITY REQUIREMENTS	10	B
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	1	C
GSA FORM 3517B GENERAL CLAUSES	47	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	E
RIDER NUMBER ONE	2	F

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$20.00 per ABOA SF for the Existing Space and \$50.64 per ABOA SF for the Expansion Space for a total of \$1,041,094.72. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

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 may elect to:

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.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 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 ABOA SF)	\$3.50
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5%

The Government shall have the right to secure their own Architecture & Engineering firm and their own General Contractor to design and/or construct those spaces requiring a higher level of security than the standard office spaces.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$222,755.00. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 0 percent.

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC 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 BSAC identified above, the Government may elect to:

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

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 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 78.99 percent. The Percentage of Occupancy is derived by dividing the Existing Space of 43,222 RSF by the total Building space of 54,714 RSF.

Upon substantial completion and acceptance of the Expansion Space, the Government's percentage of occupancy will increase to 88.75 percent, subject to the re-measurement outlined in Section 4.12 of this Lease. The Percentage of Occupancy is derived by dividing the total Government Space of 48,561 RSF by the total Building space of 54,714 RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease shall be the actual applicable real estate taxes for the 2015 tax year (January 1, 2015 – December 31, 2015). Tax adjustments shall not occur until the tax year following the Existing Space Commencement Date has passed.

1.15 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$7.25 per RSF (\$352,067.25/annum).

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$2.45 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$39.00 per hour per floor

1.18 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. Such services for any 24-hour areas that currently exist in the Premises shall be provided by the Lessor at no additional cost to the Government. If additional 24-hour HVAC is added by the Government in the future, the rate for such services shall be negotiated by both parties at that time. 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.

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Expansion Space, the Lessor shall complete the following additional Building improvements:

- a) Lessor to complete all of the improvements outlined in Exhibit F, Rider Number One.
- b) Lessor shall renovate all restrooms to meet, and ensure all other space in the Building meets, current Architectural Barriers Act Accessibility Standard (ABAAS) requirements, in accordance with Section 3.21 of this Lease.
- c) The front entrance doors of the Building shall be replaced in accordance with Section 3.23 of this Lease.
- d) Remedy garage card reader overhang issues which have caused damage to Official Government Vehicles.

- e) Lessor shall rebalance and repair the HVAC system throughout the Premises to address issues with inefficient heating and cooling.
- f) Lessor to provide adequate maintenance and repair to ensure that all elevators comply with Section 3.17 of this Lease.
- g) Lessor to remediate recurring carpet stains stemming from leaks in the flooring.
- h) The Lessor shall provide, at its sole cost and expense, suitable space for a backup generator to provide stand-by power to Government equipment.
- i) Lessor shall remedy leaks in the ceiling throughout the Premises and replace any damaged ceiling tiles as necessary.
- j) Lessor shall replace all common area carpet in accordance with Lease Paragraph 6.12.B.
- k) Lessor shall address pest control issues in accordance with Lease Paragraph 6.07.M.

1.20 ~~HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012) INTENTIONALLY DELETED~~