

LEASE NO. GS-03P-LDE12130

Succeeding/Superseding Lease
GSA FORM L202 (September 2013)

This Lease is made and entered into between

NNN 824 North Market Street, LLC

(Lessor), whose principal place of business is 824 N. Market Street, Suite 111, Wilmington, DE 19801 - 3024 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

824 North Market Street
Wilmington, Delaware 19801

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 in compliance with all applicable municipal zoning and regulations.

LEASE TERM

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

10 Years. Floors 5 & 6 shall be 10 years firm, and floors 2 & 3 shall be 5 years firm.

A. The Lease Term Commencement Date is hereby established as ~~April~~ ^{JUNE} 1, 2015. The lease term is established as ~~April~~ ^{JUNE} 1, 2015 through ~~March~~ ^{May} 31, 2025. IM / DG

B. The Termination Rights are hereby established as follows:

After the fifth (5th) full year of the lease, the Government may terminate, in whole or in part, the second (2nd) floor space (suite 200) and the third (3rd) floor (suite 300), upon 120 days notice in writing to the Lessor, sent via next day mail. No rental shall accrue for such terminated space after the effective date of termination. If termination is "in part", such "in part" space shall be configured to assure that said space is marketable for lease. Said notice shall be computed commencing with the day after the date of mailing.

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 

Name: Todd Mirkles

Title: President & CEO

Date: April 14, 2015

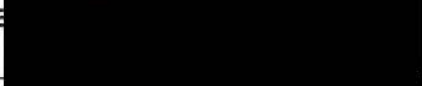


Danielle V. Graham

Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 5/21/2015

WITNE 

Name: Jonathan Reeser

Title: _____

Date: April 14, 2015

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: 65,941 rentable square feet (RSF), yielding 59,484 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 2nd, 3rd, 5th and 6th floor(s) and known as Suite(s) 200, 300, 500, and 600, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A. The square footage is broken down as follows:

Floor	ABOA SF	Rentable SF
2 nd Floor - Suite 200	2,138	2,557
3 rd Floor - Suite 300	20,817	23,519
5 th Floor - Suite 500	18,288	19,933
6 th Floor - Suite 600	18,241	19,932
TOTAL	59,484	65,941

B. Common Area Factor: The Common Area Factor (CAF) is established as 10.855 percent, which is rounded to the nearest thousandth of a percent. This factor, which represents the conversion from ABOA to rentable square feet 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)

Subject to Lessor review and approval of locations, 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: 7 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which all 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.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

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

	MONTHS 1-60	MONTHS 61-90	MONTHS 91-120
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$1,311,566.49	\$1,417,072.09	\$1,548,954.09
OPERATING COSTS ²	\$ 643,584.16	\$ 643,584.16	\$ 643,584.16
PARKING ³	INCLUDED IN SHELL	INCLUDED IN SHELL	INCLUDED IN SHELL
TOTAL ANNUAL RENT	\$1,955,150.65	\$2,060,656.25	\$2,192,538.25

¹Shell rent calculation:
 (Months 1-60) \$19.89 per RSF multiplied by 65,941 RSF
 (Months 61-90) \$21.49 per RSF multiplied by 65,941 RSF
 (Months 91-120) \$23.49 per RSF multiplied by 65,941 RSF
²Operating Costs rent calculation: \$9.76 per RSF multiplied by 65,941 RSF
³Parking costs are included in the shell rental rate

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 59,484 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. ~~INTENTIONALLY DELETED 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.~~

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 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.

F. 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.

1.04 ~~BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)~~ INTENTIONALLY DELETED

1.05 ~~RENEWAL RIGHTS (SEP 2013)~~ INTENTIONALLY DELETED

1.06 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 PLAN(S)	4	A
PARKING PLAN(S)	1	B
GSA FORM 3517B GENERAL CLAUSES	47	C
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	D

1.07 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs 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 TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

1.08 ~~BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)~~ INTENTIONALLY DELETED

1.09 ~~BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)~~ INTENTIONALLY DELETED

1.10 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 33.48 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 65,941 RSF by the total Building space of 196,969 RSF.

1.11 ~~REAL ESTATE TAX BASE (SEP 2013)~~ INTENTIONALLY DELETED

1.12 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 \$9.76 per RSF (\$ 643,584.16 PER ANNUM).

1.13 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 \$1.57 per ABOA SF of Space vacated by the Government.

1.14 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$10.00 per hour, per heat pump unit.

Each individual heat pump unit within the Premises may be separately activated for a corresponding specific Premises' zone's Overtime HVAC need. The heat pump for a specific area may be activated by calling the Building Manager. No cost shall be incurred by the Tenant unless Tenant calls the building manager to activate a heat pump. Regardless of the individual HVAC Overtime rate per hour per heat pump unit, the cumulative charge per full floor of the Premises shall not exceed \$140 per hour in the event of a full floor overtime HVAC need.

Saturday building hours are 8:00 AM to 1:00 PM. Overtime HVAC charges shall not be incurred by Tenant during these hours.

1.15 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. 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 \$0.00 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.

1.16 BUILDING IMPROVEMENTS (SEP 2012) INTENTIONALLY DELETED

~~Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements prior to acceptance of the Space:~~