

LEASE NO. GS-11P-LVA12643

Warehouse Lease
GSA FORM L201WH (05/14)

This Lease is made and entered into between

Clunygus-Badenoch LLC

(Lessor), whose principal place of business is 4305 Wheeler Avenue, Alexandria, VA 22304, 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

7944-7960 Cluny Court (Building SA-7D), Springfield, VA 22153-2810

and more fully described in Section 1 and Exhibit B, 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 said Premises with its appurtenances for the term beginning upon the rent certain start date as determined below and continuing for a period of

10 Years Firm, [REDACTED] If the option is exercised, there shall be no right to terminate the lease during that option period.

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment. Rent shall be payable by the Government on the earlier of the following:

- a) The date on which the Tenant Improvement Allowance (TIA) Work and HVAC Work at the Building are substantially complete; or
- b) The 181st day following Lease Award date.

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

FOR THE

Name: Douglas C. McPherson

Title: Manager

Entity Name: Clunygus-Badenoch LLC

Date: 12.5.14

Name: Santoni W. Graham

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 1/22/2015

WIT

Name: Mary L. Barron

Title: Controller

Date: 12.5.14

the information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (WAREHOUSE) (MAY 2014)

The Premises are described as follows:

- A. Warehouse and Related Space: **52,984** rentable square feet yielding **52,984** ANSI/BOMA Office Area (ABOA) square feet (SF) of warehouse Space of the Building, as depicted on the floor plan(s) attached hereto as Exhibit B.
- B. Common Area Factor: The Common Area Factor (CAF) is established as **0** 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 (WAREHOUSE) (MAY 2014)

The Government shall have exclusive (as identified) 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. Automobile Parking: **One hundred fifty (150)** surface parking spaces onsite or immediately adjacent to the premises, including six (6) handicapped spaces, for passenger and other vehicles as depicted on the plan dated June 18, 2014 attached hereto as Exhibit C of which **150** spaces shall be reserved for the exclusive use of the Government. In addition, the Government shall provide any 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 by the Government 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. Semi-Trailer Staging Area/Parking: INTENTIONALLY DELETED
- C. Delivery Route: INTENTIONALLY DELETED
- D. Delivery Ramps: INTENTIONALLY DELETED
- E. 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.
- F. Loading Docks. See "LOADING DOCKS SHELL WAREHOUSE" see first paragraph in Section 3 of this Lease.

1.03 ~~TRUCK TURNING RADIUS REQUIREMENTS (WAREHOUSE) (MAY 2014)~~ INTENTIONALLY DELETED

1.04 CLEAR CEILING HEIGHT REQUIREMENTS (WAREHOUSE) (MAY 2014)

The warehouse space must have a clear ceiling height of **18 feet, 0 inches**, measured from floor to the lowest obstruction, with the balance of the space maintaining a clear ceiling height of a minimum of **12 feet**. Bulkheads and hanging or surface mounted light fixtures which impede traffic ways shall be avoided.

1.05 ~~BAY WIDTH, BAY DEPTH, AND COLUMN SPACING REQUIREMENTS (WAREHOUSE) (MAY 2014)~~ INTENTIONALLY DELETED

1.06 RENT AND OTHER CONSIDERATION (MAY 2014)

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

	FIRM TERM
	ANNUAL RENT
SHELL RENT ¹	\$605,274.69
TENANT IMPROVEMENTS RENT ²	\$56,745.01
OPERATING COSTS ³	\$26,110.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC)	\$00.00
(See sub-paragraph H below) PARKING ⁴	\$0.00
TOTAL ANNUAL RENT	\$688,129.70

¹Shell rent calculation:

(Firm Term) \$11.42 (rounded) per RSF multiplied by 52,984 RSF

²The Tenant Improvement Allowance of \$412,745.36 is amortized at a rate of 6.7 percent per annum over 10 years.

³Operating Costs rent calculation: \$0.49 (rounded) per RSF multiplied by 52,984 RSF. (Operating Costs are defined elsewhere herein)

⁴Parking 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 52,984 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 except the Tenant Improvement Allowance ("TIA") shall not exceed \$412,745.36.

D. INTENTIONALLY DELETED

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 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.

G. The Lessor and Government allocate responsibilities as follows:

1. The leasehold interest in the Property described herein in the paragraph entitled "The Premises."
2. The Lessor shall furnish to the Government, as part of the rental consideration, the following: Common Area Maintenance (CAM), snow removal, landscaping and repair and maintenance of the Building Shell, as defined below, and as more specifically listed as budgeted items in GSA Form 1217.
3. Lessor shall provide (a) \$691,409.00 representing the "Lessor's Base Building Improvement Funding"; and (b) \$412,745.36 representing the Tenant Improvement Allowance. The total of the foregoing is \$1,104,154.36 and is hereinafter referred to as the "Lessor's Share of Improvement Funding" which shall be paid pursuant to Section 10.10 for the Improvement Work for the Government. All costs for the Improvement Work for the Government as defined in Section 10.10 which exceed the Lessor's Share of Improvement Funding shall be the sole responsibility of the Government. The Lessor's Base Building Improvement Funding shall be applied to the costs of base building improvements listed in Exhibit A which are marked ("yes") in the left column and any other work which the Government determines are necessary to satisfy Lease requirements, including applicable laws, codes, and regulations and HVAC system work. The Lessor shall not be responsible for any costs attributable to the Improvement Work for the Government in excess of the Lessor's Share of Improvement Funding.
4. Beginning with the day construction commences and throughout the Lease Term and option term if exercised, the Government shall be responsible for paying the cost of Electric, Gas, Water and Sewer 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. Notwithstanding for foregoing, the Lessor has caused natural gas lines to be installed to serve the Building. The Government shall be responsible for the cost and installation of the natural gas meter. The Lessor shall furnish in writing to the LCO, prior to construction for the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible.
5. The Government shall be responsible for the cost for all janitorial and trash removal.
6. The Government accepts the Building and Property in its "as existing" condition as of the date of Lease Award. Notwithstanding the definition of Building Shell in Section 3.08, of this Lease, Building Shell is defined as only the following elements: roof; exterior load bearing walls; support columns; existing exterior doors, windows, and loading docks; parking areas; two ABAAS accessible entrances with two associated exterior lifts to be constructed; electrical entrance and distribution facilities up to and including the main power distribution breakers and warehouse distribution panels but not the downstream connections thereto; water service laterals from the main

up to and including the existing main cut off valve in seven of the nine building bays; and structural integrity (not clogs) of existing waste water service from building slab to sewage main including for all such elements: all maintenance, repairs and replacements as necessary.

Notwithstanding the foregoing,

- a) The Lessor shall use the Lessor's Base Building Improvement Funding to apply to the costs of the base building work identified in Lease Exhibit A and marked "yes" in the left column which includes a new Fire Alarm Panel and associated operating software. The Government shall be responsible for all additional costs for alterations and improvements necessary to satisfy all fire and life safety codes applicable to the Building as it will be improved and as it will be used by the Government.
- b) The Lessor shall maintain the parking area, the roof and Building Shell as well as those items identified in Exhibit A in the right column to be maintained by Lessor. Lessor shall maintain and repair (or replace, if necessary) such items or conditions of the Building Shell so that they remain in "good repair and tenantable condition" through the term of this Lease. If any replacement of Building Shell elements shall become necessary during the term of this Lease, such replacement shall be no less than equal in quality and function to the existing quality and function at the time of Lease Award or after completion of the work identified in Exhibit A as Building Shell. However, Lessor shall not make repairs or replacements to the Building Shell made necessary by the Government's improper use or damage to such Building Shell elements which exceed ordinary wear and tear. In the event of such improper use or damage, the Government shall be responsible for the costs to repair or replace such damaged Building Shell elements at its sole expense. Except as explicitly stated in this section 1.06 (G)(6)(b), the Government shall be responsible at its sole expense for maintaining, repairing, and replacing, as necessary, all portions of the Building and all components, all equipment, and all systems of every kind which serve or are part of the Building.
- 7. Lessor shall not be required to make any alteration or incur any additional expense as a result of any improvement or alteration to the Property made by or for the Government above Building Shell as defined in this section. For clarification, the TIA work, any HVAC work and any other Government build out shall not be considered part of the Building Shell and any expense for maintenance, repair or replacement arising from such alteration or improvement shall be the Governments' responsibility.
- 8. At the Government's sole option and cost, the Government shall install, maintain, repair and replace all of the HVAC systems (AHU's and RTU's) which it decides are necessary on the Premises. The Owner will leave the existing roof curbs and ductwork in place for Government's use without any warranty as to their condition, fitness or suitability for use.
- H. The Government shall make a one-time lump-sum payment of \$60,270.05 upon the first rental payment to cover all parking costs for the lease term and option term. Notwithstanding that payment, there shall be no ongoing payment for parking. This amount accounts for a \$8,729.95 credit by the Lessor for payment of the Building Assessment Report.

1.07 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

DTZ 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 DTZ 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. THERE IS NO COMMISSION CREDIT.

1.08 TERMINATION RIGHTS (AUG 2014) INTENTIONALLY DELETED

1.09 RENEWAL RIGHTS (SEP 2013)

This Lease may be renewed at the option of the Government for a term of [REDACTED] YEARS 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.	

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.

1.10 DOCUMENTS INCORPORATED IN THE LEASE (WAREHOUSE) (MAY 2014)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
BASE BUILDING OBLIGATIONS	1	A
FLOOR PLAN(S)	1	B
SITE PLAN / PARKING PLAN (6/18/2014)	1	C
[REDACTED]	6	D
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	F
GSA FORM 1217 AND ATTACHMENT FOR SA-7D (9/18/2014)	2	G

1.11 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$7.79 per ABOA SF (total TIA \$412,745.36). 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 (10 years) at an annual interest rate of 6.7 percent.

1.12 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 either:

1. Reduce the TI requirements; or
2. Pay Lessor monthly progress payments in accordance with Section 10.10.

1.13 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing all TI build out work, the following rates shall apply for the initial build-out of the Space to the extent the Lessor enters into contracts to have any of the foregoing work performed which contracts are approved in writing by the Government:

CHART INTENTIONALLY DELETED	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$XX OR XX%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	XX%

Architect/Engineer Fees:

Actual costs plus overhead and profit plus reimbursables in a contract first approved in writing by the Government before signed by Lessor.

Lessor's Project Management Fee:

For all services requested of Lessor by Government and agreed to be performed by Lessor – 5% overhead then 5% profit plus costs in accordance with Lease paragraph 4.16 LESSOR'S PROJECT MANAGEMENT FEE. The foregoing notwithstanding, no Lessor's Project Management Fee shall be charged against that part of Lessor's Base Building Funding amounting to \$449,009.00.

1.14 BUILDING-SPECIFIC AMORTIZED CAPITAL (SEP 2012) INTENTIONALLY DELETED

1.15 BUILDING-SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED

1.16 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 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 52,984 RSF by the total Building space of 52,984 RSF.

1.17 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 \$0.49 per RSF (\$26,110.00/annum).

1.18 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 \$0.0617 per ABOA SF of Space vacated by the Government.

1.19 HOURLY OVERTIME HVAC RATES (AUG 2014) INTENTIONALLY DELETED

1.20 24-HOUR HVAC REQUIREMENT (APR 2014) INTENTIONALLY DELETED

1.21 BUILDING IMPROVEMENTS (SEP 2012)

The Government shall at its sole option and cost install, maintain, repair and replace all of the HVAC systems (AHU's and RTU's) which it determines are necessary at the Premises. The Lessor will leave the existing roof curbs and ductwork in place for Government's use without any warranty as to their condition, fitness or suitability for use.

1.22 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAY 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause. The Lessor and Government acknowledge that the SBC price evaluation was not applicable to the evaluation and award decision and therefore the requirements of 13 C.F.R. 126.700 and 13 C.F.R. §125.6(c) do not apply to the Lessor and the Improvement Work for the Government. In the event of a change of ownership, HUBZone SBC requirements may apply.