

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: 169,131 rentable square feet (RSF), yielding approximately 148,364 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the entirety of floors 19 through 26 and on a portion of floors B-2, 1, and 18 of the Building, as depicted on the BOMA Global Summary attached hereto as Exhibit A and floor plan(s) attached hereto as Exhibit B. The Government and the Lessor stipulate to the rentable square feet as 169,131 RSF.

B. Common Area Factor: The Common Area Factor (CAF) is established as 14%. 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: No parking spaces are included in the rent. However, the Lessor shall provide such parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property. Furthermore, parking must be located in a garage directly beneath an offered building or in a structured garage immediately adjacent to an offered building connected by a covered weather-protected pathway.

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.

C. Loading Dock and Backup Generator. The space shall include secure access to a weather-protected loading area. The loading area shall be separate from the parking garage and easily accessible from the street. The loading area shall have a minimum of two (2) bays with a minimum of two (2) dock-high docks or two (2) levelers. All bays shall be covered with a canopy that provides shelter from the elements. There shall be a personnel door and personnel stairs leading from the dock down to the pavement below. The Government shall be entitled to maintain security control over the loading area. As part of the base rental rate, the Lessor shall provide sufficient space either within the loading dock area or immediately adjacent thereto to accommodate the Government's security equipment (e.g. [REDACTED]). In addition, as part of the rental consideration, the Government requires that the building provide space for a backup generator with hookups for electricity with associated electrical gear, and access to fuel. The Government may either accept the currently installed and operational generator, or required the installation of a new generator and or associated storage tank. The cost to furnish and install a new backup generator or any associated fuel storage tank will be paid for out of the tenant improvement allowance.

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:

	FIRM TERM
	ANNUAL RENT
SHELL RENT ¹	\$3,368,172.86
TENANT IMPROVEMENTS RENT ²	\$462,302.22
OPERATING COSTS ³	\$996,181.59
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$247,273.33
PARKING ⁵	\$0.00
TOTAL ANNUAL RENT	\$5,073,930.00

¹Shell rent calculation:
(Firm Term) \$19.91 per RSF (rounded) multiplied by 169,131 RSF
²The Tenant Improvement Allowance of \$6,934,533.36 is amortized at a rate of 0 percent per annum over 15 years.
³Operating Costs rent calculation: \$5.89 per RSF (rounded) multiplied by 169,131 RSF
⁴Building Specific Amortized Capital (BSAC) of \$3,709,100.00 are amortized at a rate of 0 percent per annum over 15 years
⁵Parking costs described under sub-paragraph H below

B. Notwithstanding Paragraph 1.03 A, the total annual rent for the first 12 months of the Lease (the period from September 16, 2015 to September 15, 2016) shall be abated in its entirety. The Government will prorate the rent for the month of September 2016 based upon occupancy not covered by the initial 12 month abatement period, and pay 1/2 of a full month annual rent for September 2016, and then shall pay rent as set forth in

Paragraph 1.04 B of the Lease for the months of October, November and December 2016. The rent for the period of September 16, 2016 to September 30, 2016 is 1/2 of one month's rent of \$422,827.50 or \$211,413.75.

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 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. No property shall be deemed to be tenant special equipment unless denominated as such in writing at the time of installation.

H. Up to 393 parking spaces are available for lease by the Government or its employees at rates of \$112 per month per space for structured non-reserved and \$224 per month per space for structured reserved for calendar year 2015 and subject to annual adjustment thereafter to reflect the market but not to exceed an increase of 3 percent in any single calendar year.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. **SAVILLS STUDLEY, 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 SAVILLS STUDLEY, 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 be for the months of October, November and December 2016 as indicated in this schedule for adjusted Monthly Rent:

Month of October 2016- Rental Payment \$422,827.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Month's Rent for October 2016.*

Month of November 2016- Rental Payment \$422,827.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Month's Rent for November 2016.*

Month of December 2016- Rental Payment \$422,827.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Month's Rent for December 2016.*

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

1.05 TERMINATION RIGHTS (AUG-2014) THIS PARAGRAPH IS INTENTIONALLY DELETED

1.06 RENEWAL RIGHTS (SEP-2013) THIS PARAGRAPH INTENTIONALLY DELETED

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
GLOBAL BOMA SUMMARY	1	A
FLOOR PLAN(S)	10	B
PARKING PLAN(S)	5	C
SECURITY REQUIREMENTS	11	D
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	F
SECURITY UNIT PRICE LIST	3	G
SMALL BUSINESS SUBCONTRACTING PLAN	11	H
PROPOSED PLAN OF RENOVATION AND SCHEDULE	2	I
ENERGY STAR IMPROVEMENTS RIDER NO. 1	1	J
FLOOR PLAN FOR SWING SPACE	1	K

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$46.74** per ABOA SF or **\$6,934,533.36**. 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 at an annual interest rate of zero (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. In addition, the Government, at its sole discretion, shall have the right to convert free rent into additional TIA. If the Government exercises the right to convert free rent into additional TIA, it shall discount the free rent from the time the rent would have been paid to the date of the award at a 5% discount rate. The converted free rent, after discount, shall be added dollar for dollar to the TIA and be available on the same basis. No fee, charge, or amortization rate of any kind shall be paid on account of the conversion.

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 rates shall not exceed the following and apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$3. 50/ABOA SF
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	3%

No other fees are applicable or shall be paid with respect to the tenant improvement fee schedule.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$25.00** per ABOA SF or **\$3,709,100.00**. 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 zero (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 **31.01** percent. The Percentage of Occupancy is derived by dividing the total Government Space of 169,131 RSF by the total Building space of 545,422 RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base is defined in Paragraph 2.07B of the Lease. Tax adjustments shall not occur until the tax year following lease commencement 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 **\$996,181.59/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 \$1.47 per ABOA SF of Space if a half floor is vacated, \$1.93 per ABOA SF if a full floor is vacated, and \$2.03 per ABOA SF if the entire space is 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:"

- The first 200 hours of hourly overtime HVAC per lease year are at no cost to the Government.
- \$24.01 per hour per zone for the first zone and \$1.22 for each zone thereafter.
- Each floor is one zone.
- \$34.99 per hour for the entire Space.

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. 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 to be negotiated 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.

1.19 BUILDING IMPROVEMENTS AND SWING SPACE (SEP 2012)

All building improvements required in connection with the build out of the tenant improvements shall be provided by the Lessor and obtain acceptance by the Government in accordance with the schedule establish by the Lease, but in any event prior to September 15, 2016. At no additional cost to the Government, Lessor shall provide swing space during the renovations:

A Proposed Plan for Renovation of Existing Space and Swing Space is attached as Exhibit I to the Lease. Until agreed upon by the Government, these documents are not binding. Within 10 days after award or as soon thereafter as possible, the Lessor and the Government shall meet in an effort to agree upon a renovation plan and schedule. Upon agreement as to the Renovation Plan and Schedule, a Lease Amendment shall be executed to incorporate them into the Lease as binding at which time the Schedule in the Lease Amendment shall govern over the provisions of Paragraph 4.01 of the Lease, SCHEDULE FOR COMPLETION OF SPACE. Absent such a Lease Amendment, the Schedule will continue to be governed by Paragraph 4.01 of the Lease, SCHEDULE FOR COMPLETION OF SPACE. The Lessor of the current location will also be responsible for maintaining minimum standards for all space in the current location that remains occupied during the renovation, including, but not limited to, life safety and air quality standards. The renovation plan and its implementation shall be accomplished with a minimum of disruption and interference with the ongoing operations of the Government.

The renovation of the current space shall be completed in no more than four phases. At least 40,000 contiguous rentable square feet shall be made available for temporary alternate space ("Swing Space") during the renovation. The Swing Space is located in the Skyline Complex on the 9th floor (37,808 RSF) of 5109 Leesburg Pike, Falls Church, VA and on the 9th floor (2,192 RSF) of 5111 Leesburg Pike, Falls Church, VA. The spaces are contiguous and the Lessor, at its expense, shall furnish and install one (1) fire rated double door and frame assembly with approximate dimensions of 6'wide x 7'high



(height of doors to be determined by standard door sizes and what existing ceiling height will allow). The floor plan for the Swing Space is attached as Exhibit K.

The Swing Space must have a space layout which allows the Government to function efficiently during renovations and must be built out to a "warm lit shell" consistent with the requirements of this Lease. In addition, the Government will receive a fit-out allowance of \$25.00 per RSF for the Swing Space for 40,000 RSF or \$1,000,000.00, which may be used for tenant improvements above the warm lit shell and for furniture, fixtures, equipment, and telecommunications and data infrastructure in the Swing Space, or for tenant improvements in connection with the renovation of the Premises other than the Swing Space. All tenant improvements shall be in accordance with plans and specifications approved by the Government.

The Government will pay rental on the current location during renovation, but will not pay rent for the Swing Space. The term of the new lease at the current location would begin on September 16, 2015. The provisions of Paragraph 4.14 of the Lease, LIQUIDATED DAMAGES, shall apply to the Schedule whether the Schedule is governed by Paragraph 4.01 of the Lease or, in the event that a Schedule is established by Lease Amendment, pursuant to the Lease Amendment.

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

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