

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

11/3/09

LEASE NO. GS-03B-09407

THIS LEASE, made and entered into this date by and between

City of Salem, VA

whose address is

36 E. Calhoun St., Salem, VA 24153-0869

and whose interest in the property hereinafter described is that of

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

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

1. The Lessor hereby leases to the Government the following described premises:

2,875 rentable square feet which yields 2,500 of ANSI/BOMA office area square feet (ABOA) of 3rd floor office and related space to be located in the City of Salem Police Department at 36 E. Calhoun St., Salem, Virginia with 1 reserved parking space and 4 non-reserved parking spaces.

to be used for such purposes as may be determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

See Rider Paragraph 11 through See Rider Paragraph 11, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of See Rider Paragraph 11

at the rate of See Rider Paragraph 11 per see Rider Paragraph 11 in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

City of Salem, VA 36 E. Calhoun St., Salem, VA 24153

~~4. The Government may terminate this lease, in whole or in part, at any time after the fifteenth full year by giving at least 120 days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

~~5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~provided notice be given in writing to the Lessor at least 120 days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

Lessor

[Signature]

Government

[Signature]

Page 1 of 56

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

- A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.
- B. This Lease No. GS- 03B-09407 consists of 56 pages.

7. The following are attached and made a part hereof:

- A. Rider to Lease No. GS-03B- 09407 being paragraph 8 through 14
- B. Solicitation for Offers 8VA2298 (now lease GS-03B-09407)
- C. General Clauses (GSA form 3517)
- D. Representations and Certifications (GSA form 3518)
- E. Floorplan
- F. In accordance with the State Historic Preservation office and Section 106 of the National Preservation Act of 1966, as amended in 1980 and 1992, and the regulations (36 CFR Part 800) of the Advisory Council on Historic Preservation, the Lessor shall provide photographs, specifications, and architectural drawings throughout the design phase of the project at 30%, 60% and 90% completion for approval. The Lessor shall meaningfully engage and agrees to satisfactorily address and implement, as determined by the Contracting Officer, those issues arising from consultation with the State Historic Preservation Office. The Lessor shall update the schedule with regard to design identifying these milestones.
- G. Lessor proposed preliminary schedule & estimated cost spreadsheet (included by ref.)
- H. [REDACTED] Design Guide (included by ref.)

names as of the date first above written.

(Signature)

(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY _____
(Signature)

Contracting Officer
(Official title)

STANDARD FORM 2
FEBRUARY 1965 EDITION

Lessor ASB Government AL

Page 2 of 56

8. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

9. The total percentage of space occupied by the Government under the terms of the lease is equal to 10.87% percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 2,500 ABOA square feet by the total building space of 23,000 ABOA square feet.

10. Common Area Factor

The Common Area Factor of this building for this Government lease that is applied to the ABOA to determine the rentable square feet is 1.15 (2,875 RSF/2,500 ABOA SF).

11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$5.75 per ABOA square foot, is acceptable. This figure includes the Government's pro-rata share of operating costs.

12. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 120 calendar days from the date of notice to proceed with the construction of the tenant improvements which shall be in accordance with Offered Preliminary Schedule (included by ref). When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for fifteen (15) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Lessor VSB Government BL

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 15:

Total Rent \$48.75 per ABOA square feet (\$121,875 annual rent)

Shell Rent \$39.67 per ABOA

Amortized annual cost per ABOA SF for Tenant Alteration Allowance*: \$3.33 per ABOA.

Interest rate at which Tenant Alterations are amortized: 0%
Lessor Tenant Alteration Overhead and Profit: 0%

Annual Cost of Services: \$5.75 per ABOA

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$ 50.00 per ABOA, 2,500 ABOA x \$50.00 = \$125,000 which is included in the rent, using the 0 % amortization rate over the firm term of fifteen (15) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 0% amortization rate.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

In accordance with Paragraph 4.6 "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$0 per hour.

13. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so

Lessor KB Government BL

desired. In the event such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right of restoration waived.

14. Definitions:

- A. Where the word "Offeror" appears it shall be considered "Lessor"
- B. Where the word "should" appears it shall be considered to be "shall"
- C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"

Lessor KSB Government BL