

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

September 7, 2011

LEASE NO.

GS-03B-12004

THIS LEASE, made and entered into this date by and between WTC Financial Associates, LLC

WTC Financial Associates, LLC
C/O Harbor Group Management, LLC
whose address is 101 West Main Street #1800
Norfolk, VA 23510-1690

and whose interest in the property hereinafter described is that of Owner

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:

36,584 Rentable Square Feet yielding approximately 32,375 ANSI/BOMA Office Area square feet and related space located on the 6th & 8th Floors, at the World Trade Center, 101 West Main Street, Norfolk, VA 23510-1646, together with nine (9) Structured parking spaces, as depicted on Exhibit A.

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

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 13 through See Lease Rider Paragraph 13, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ See Lease Rider Paragraph 13 at the rate of \$ See Lease Rider Paragraph 13 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

WTC Financial Associates, LLC
C/O Harbor Group Management, LLC
101 West Main Street #1800
Norfolk, VA 23510-1690

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5) full year of occupancy by giving at least ninety (90) calendar 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:~~

~~{Number of Options} {Option Term} year period(s) at the annual rental of \$ _____ (\$ _____ per ABOA square foot), plus accrued operating cost escalations~~

~~provided notice be given in writing to the Lessor at least _____ 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.~~

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.

7. The following are attached and made a part hereof:
- A. Rider to Lease GS-03B-12004
 - B. Solicitation for Offers # 0VA2234
 - C. GSA Form 3517, "General Clauses"
 - D. GSA Form 3518, "Representations and Certifications"
 - E. Floor Plans - Exhibit A & Exhibit B

8. The following changes were made in this lease prior to its execution:

N/A

This lease contains 107 pages

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

BY

999 Waterside Dr., Ste. 2300
Norfolk, VA 23510
(Address)

IN PRESENCE OF

999 Waterside Dr., Ste. 2300
Norfolk, VA 23510
(Address)

UNITED STATES OF AMERICA

ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY

Contracting Officer
(Official title)


9. 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.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to ten (10) 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 36,584 rentable square feet by the total building space of 366,125 rentable square feet.

11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$5.40 per Rentable Square Foot is acceptable. This figure includes the Government's pro-rata share of operating costs.

12. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the lessor shall notify the Contracting Officer, in writing, at least thirty (30) calendar days and no more than sixty (60) calendar days prior to the time the option must be exercised. In the event the lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

13. 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 seventy-five (75) calendar days from the date of notice to proceed with the construction of the tenant improvements. 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



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commence and shall continue for ten (10) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

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 5:

The total annual rent of \$902,019.56 breaks down as follows*:

Shell Rent: \$640,220.00 per year or \$17.50 per Rentable Square Foot,

Amortized annual cost for Tenant Improvement Allowance*:
\$44,585.97 per year

Interest rate at which Tenant Alterations are amortized: 8%

Amortized annual cost for Building Specific Security: \$19,659.99 per year

Annual Cost of Services: \$197,553.60 per year or \$5.40 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3, "Operating Costs"

Years 6 through 10:

The total annual rent of \$837,773.60 breaks down as follows:

Shell Rent: \$640,220.00 per year or \$17.50 per Rentable Square Foot,

Annual Cost of Services: \$197,553.60 per year or \$5.40 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$183,242.50 or \$5.66 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the

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8% amortization rate over the firm term of five (5) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 8% 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.

14. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.1, "Tenant Improvements Pricing Requirements" of the Lease, the Lessor's Tenant Improvement Fees are established as follows:

1) General Conditions charged by the Lessor's General Contractor for Tenant Improvements requested by the Government are 8% of Total Subcontractors' costs.

2) General Contractor's fee charged by the Lessor for Tenant Improvements requested by the Government is 8% of Total Subcontractors' costs.

3) Architectural/engineering fees charged by the Lessor for Tenant Improvements are \$1.35 per ABOA. *This fee only applies to the 5,230 ABOA of expansion space.*

4) Project Management fees charged by the Lessor for Tenant Improvements requested by the Government is 4% of Total Tenant Improvement Construction Costs.

15. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime HVAC services is \$40.00 per hour.

16. In accordance with Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$4.00 per ANSI/BOMA Office Area square foot.

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17. The lessor shall cure the following fire/life safety issues before the space is accepted by the Government:

- Replace damaged fireproofing throughout the Government's space
- Replace fire-stopping at wall conduit or pipe penetrations at the ground floor of Stair B and C
- Replace cracking of concrete masonry unit wall construction at the ground floor of Stair D
- Chain lock the sprinkler control valve open in the pump room
- At the entrance to Suite 830, adjacent to the elevators, the front corridor that outlines the reception area, relocate two sprinkler heads to provide proper spacing

18. 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"

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