

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

5 | 14 | 13

LEASE NO.

GS-03B-11343

THIS LEASE, made and entered into this date by and between Staunhope Properties, LLC

whose address is 1600 North Coalter Street, Suite #19
Staunton, VA 24401-2566

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:

5,500 rentable square feet which yields approximately 5,119 ANSI/BOMA Office Area square feet of office space and related space located on the first floor at Greenbrier Office Park, Building #2, 1600 North Coalter Street, Staunton, Virginia 24401-2566 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 12 through See Lease Rider Paragraph 12, 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 12 at the rate of See Lease Rider Paragraph 12 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Staunhope Properties, LLC
1600 North Coalter Street, Suite #19
Staunton, VA 24401-2566

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

SFO NO. 7VA2058 / LEASE NO. GS-03B-11343

INITIALS: PPU & KK
LESSOR GOVT

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. The Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the first five years of the firm term value of this lease. The total amount of the commission is [redacted]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [redacted] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [redacted]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. The Commission less the Commission Credit is [redacted].

Notwithstanding Paragraph 3 of the Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$11,813.80 (of which \$5,463.33 is shell rent) minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Shell Rent.

Second Month's Rental Payment \$11,813.80 (of which \$5,463.33 is shell rent) minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Shell Rent.

Third Month's Rental Payment \$11,813.80 (of which \$5,463.33 is shell rent) minus prorated Commission Credit of [redacted] equals [redacted] adjusted Third Month's Shell Rent.

Fourth Month's Rental Payment of \$11,813.80 shall commence in full.
*subject to adjustment upon determination of actual TI expenditure

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

- A. Standard Form 2
- B. Rider to Lease GS-03B-11343
- C. Solicitation for Offers # 7VA2058 and Amendment # 1, #2, and #3
- D. GSA Form 3517, "General Clauses"
- E. GSA Form 3518, "Representations and Certifications"
- F. Floor Plan (Exhibit A)

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

This lease contains 123 pages

_____ unto subscribed their names as of the date first above written.

1600 N. Coakley St. #19, Staunton, VA 24401
(Address)

ADMINISTRATION, PUBLIC BUILDINGS SERVICE

Contracting Officer
(Official title)

INITIALS: PAV & KK
LESSOR GOVT

Rider to Lease GS-03B-11343

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 100.00 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 5,500 rentable square feet by the total building space of 5,500 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 \$5.77 per rentable 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 working 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 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:

Lessor PPV. Government KL

Rider to Lease GS-03B-11343

Years 1 through 5:

Shell Rent: \$65,560.00 per year

Amortized annual cost for Tenant Improvement Allowance*:

\$44,470.64 per year

Annual Cost of Services: \$31,735.00 per year, plus accrued escalations per Paragraph 4.3, "Operating Costs"

Years 6 through 10:

Shell Rent \$65,560.00 per year

Annual Cost of Services: \$31,735.00 per year, 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 \$189,403.00 or \$37.00 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 6.50% 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 6.50% 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.

13. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.1, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is 5.0% of Total Construction costs.

Lessor PPU. Government KK

Rider to Lease GS-03B-11343

14. 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 \$0.00 per hour.

15. 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 \$3.00 per ANSI/BOMA Office Area square foot.

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

17. 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 APU. Government KK