

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

7-31-2009

LEASE NO.

GS-03B-09391

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

HRC MAST Onc, LLC

whose address is 1040 University Boulevard
Portsmouth, Virginia 23703-0000

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:

Approximately 3,571 ANSI/BOMA Office Area square feet (ABOA) of office and related space located on the first floor and 14 reserved surface parking spaces located at the MAST One Building, 1040 University Boulevard in Portsmouth, Virginia 23703-0000.

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

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

See paragraph 14 of Rider to Lease through See paragraph 14 of Rider to Lease, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ See paragraph 14 of Lease Rider at the rate of \$ See paragraph 14 of Lease Rider per Month in arrears.

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

HRC MAST Onc, LLC
c/o Harvey Lindsay Commercial Real Estate
999 Waterside Drive, Suite 1400
Norfolk, VA 23510-3300

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

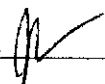
For three (3) renewal options each with an additional three (3) year term per the payment schedule in Paragraph 20 of Lease Rider.

provided notice be given in writing to the Lessor at least 90 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

NAH

Government



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

- A. All services, utilities, maintenance, operations, alterations, and other considerations as set forth in this lease.
- B. A Tenant Improvement Contribution in the amount of \$25.00/ABOA has been provided by the Lessor for the build-out of the space.

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

- (a) Standard Form 2 – U.S. Government Lease for Real Property (pages 1-2)
- (b) Rider to Lease GS-03B-09391 (pages 3-6)
- (c) Solicitation For Offers 7VA2369 (pages 7-50)
- (d) Physical Security Requirements/Specifications for [REDACTED] Facilities dated 02/19/2009 (pages 51-60)
- (e) Amendment #1 to SFO 7VA2369 (page 61)
- (f) GSA Form 3517B – General Clauses (pages 62-94)
- (g) GSA Form 3518 – Representations and Certifications (pages 95-101)
- (h) First Generation Floor Plan (page 102)

8. The following changes were made in this lease prior to its execution:
NONE

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

LESSOR HEC MAST One, LLC

BY

(Signature)

(Signature)

AGENT

IN PRESENCE OF:

(Signature)

(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDING SERVICE

BY

(Signature)

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 6.7% 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 4,000 rentable square feet by the total building space of 60,000 rentable square feet.

11. The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet (ABOA) to determine the rentable square feet is 1.120134416 (4,000 RSF/3,571 ABOA SF).

12. For purposes ^(also known as cost of services) of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate quoted on the "Lessor's Annual Cost Statement", (GSA Form 1217) dated 03/13/2009, which is \$5.67 per ANSI/BOMA Office Area (ABOA) square foot, is acceptable. This figure includes the Government's pro-rata share of operating costs. The Government retains the right to inspect and review the Lessor's records to verify the costs listed on the GSA Form 1217 and/or to require a certified audit report. The operating cost rate will be escalated by 3.0% annually. ~~The basis for annual operating costs escalations will be the revised U.S. All Cities Average Consumer Price Index for Wage Earners and Clerical Workers.~~

13. 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 (see paragraph 20).

Lessor Walt Government [Signature]

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14. 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 60 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 commence and shall continue for 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:

Shell Rent: \$79,597.59 per year or \$22.29 per ANSI/BOMA Office Area Square Foot (ABOA),

Amortized annual cost per ABOA for Tenant Improvement

Allowance*: \$20,822.44 per year or approximately \$5.830983 per ANSI/BOMA Office Area Square Foot (ABOA),

Interest rate at which Tenant Alterations are amortized: 10%

Annual Cost of Services: \$20,247.57 per year or \$5.67 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations of 3% per year per Paragraph 12.

Years 6 through 10:

Shell Rent: \$79,597.59 per year or \$22.29 per ANSI/BOMA Office Area Square Foot (ABOA),

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Amortized annual cost per ABOA for Tenant Improvement

Allowance*: \$0.00 per year or approximately \$0.00 per ANSI/BOMA Office Area Square Foot (ABOA),

Annual Cost of Services: \$20,247.57 per year or \$5.67 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations of 3% per year per Paragraph 12.

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*The lessor is providing a ~~rent~~ concession of \$25.00/ABOA towards the tenant improvement allowance. The Government will only pay for tenant improvements above and beyond \$25.00/ABOA. The [REDACTED] full TI allowance is \$47.87/ABOA. The lessor will amortize the remaining TI balance of \$22.87/ABOA at 10% for 60 months. The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$81,668.77 or \$22.87 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 10% amortization rate over the firm term of 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 10% amortization rate. *M. Wall*

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.

15. The Government may terminate this lease at any time, in whole or in part, after the fifth (5th) full year of occupancy upon 90 calendar days written notice to the lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

16. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.2, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is 0.0% of Total Construction costs.

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17. 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 \$20.00 per hour.

18. 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.

19. 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"

20. Rental Rates During Renewal Terms:

<u>Year of Lease</u>	<u>Annual Shell Rental</u>	<u>Annual Operating Cost</u>	<u>Total Annual Rent</u>
11	\$91,720.00	\$27,211.04	\$118,931.04
12	\$91,720.00	\$28,027.37	\$119,747.37
13	\$91,720.00	\$28,868.19	\$120,588.19
14	\$91,720.00	\$29,734.24	\$121,454.24
15	\$91,720.00	\$30,626.27	\$122,346.27
16	\$91,720.00	\$31,545.05	\$123,265.05
17	\$91,720.00	\$32,491.41	\$124,211.41
18	\$91,720.00	\$33,466.15	\$125,186.15
19	\$91,720.00	\$34,470.13	\$126,190.13

Lessor 2144 Government pr