

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

9/15/10

LEASE NO.

GS-03B-09488

THIS LEASE, made and entered into this date by and between 220 CHURCH, LLC

whose address is 310 First Street, Suite 450 3
Roanoke, VA 24011-1923

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:

21,327 Rentable Square Feet yielding approximately 18,992 ANSI/BOMA Office Area square feet and related space located on the First and Second Floors, at the Commonwealth Building, 220 Church Avenue, SW, Roanoke, VA 24011-0000, together with four (4) surface parking spaces, as depicted on Exhibit B (attached)

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 NOV. 1, 2010
~~See Lease Rider Paragraph 2 through See Lease Rider Paragraph 16~~, 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:

Robert R. Copty
220 Church, LLC c/o Thalhimer
310 First Street, Suite 450
Roanoke, VA 24011-1923

4. The Government may terminate this lease in whole or in part effective at any time after the tenth (10th) full year of occupancy by giving at least one hundred twenty (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:
Two (2), five (5) year firm options, provided notice be given in writing to the Lessor at least one hundred twenty (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. The renewal rate shall be negotiated three (3) years prior to the expiration of the current lease, or if the Lessor elects not to renegotiate the renewal rate, it is agreed that the rate will remain at the last negotiated rate. 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.

B. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] percent 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.

Notwithstanding Paragraph 3 of this 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 of \$52,748.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.*

SCANNED

Second Month's Rental Payment 52,748.29 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent*

Third Month's Rental Payment 52,748.29 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Third Month's Rent*

Fourth Month's Rental Payment shall commence in full.

*subject to adjustment upon determination of actual TI expenditure

7. The following are attached and made a part hereof:
- A. Rider to Lease GS-03B-09488 (3 pages)
 - B. Solicitation for Offers # 8VA2244 (52 pages) and Amendments #1 (1 page)
 - C. GSA Form 3517B, "General Clauses" version dated 11/05 (33 pages)
 - D. GSA Form 3518, "Representations and Certifications" version dated 01/07 (7 pages)
 - E. Floor Plan(s) {Exhibit A} (4 pages)
 - F. Site Plan (Exhibit B) (1 page)
 - G. LEED-CI (Commercial Interiors) Scorecard (4 pages)
 - H. Form B: Request for Sensitive But Unclassified Document (2 pages)
 - I. Commission Agreement, dated 06/09/2010 (2 pages)
 - J. Construction Schedule (2 pages)

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

GS-03B-09488 is hereby changed to GS-03B-09493 / BK

This lease contains 111 pages.

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

LESSOR: 220 CHURCH LLC

BY

[redacted signature]

(Signature)

IN PRESENCE OF:

[redacted name]

310 First Street, Roanoke, VA 24011
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY

[redacted signature]

Contracting Officer
(Official title)

STANDARD FORM 2
AUGUST 2009 EDITION

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 30.90% 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 21,327 rentable square feet by the total building space of 69,028 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 \$4.18 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 ninety (90) 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.

NOV. 1, 2010
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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

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lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Year 1:

Shell Rent: \$543,838.50 per year or \$28.64 per ANSI/BOMA Office Area Square Foot (ABOA) / 25.50 per Rentable Square Foot,

Annual Cost of Services: \$89,141.00 per year or \$4.69 per ANSI/BOMA Office Area Square Foot (ABOA) / \$4.18 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3 "Operating Costs"

Year 2:

Shell Rent \$607,819.50 per year or \$32.00 per ANSI/BOMA Office Area Square Foot (ABOA) / \$28.50 per Rentable Square Foot,

Annual Cost of Services: 89,141.00 per year or \$4.69 per ANSI/BOMA Office Area Square Foot (ABOA) / \$4.18 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3 "Operating Costs"

Parking: \${Total Annual Parking Rent} per year or \${Annual Parking Rent Per Space} per space/annually

Years 3 through 4:

Shell Rent \$671,800.50 per year or \$35.37 per ANSI/BOMA Office Area Square Foot (ABOA) / \$31.50 per Rentable Square Foot,

Annual Cost of Services: 89,141.00 per year or \$4.69 per ANSI/BOMA Office Area Square Foot (ABOA) / \$4.18 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3 "Operating Costs"

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Years ⁵ through 10:

Shell Rent \$703,791.00 per year or \$37.06 per ANSI/BOMA Office Area Square Foot (ABOA) / \$33.00 per Rentable Square Foot,

Annual Cost of Services: 89,141.00 per year or \$4.69 per ANSI/BOMA Office Area Square Foot (ABOA) / \$4.18 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3 "Operating Costs"

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 \$10.50 per zone per hour. The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$500.0 per zone per month.

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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 \$2.33 per ANSI/BOMA Office Area square foot.

16. 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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