



ARLINGTON COUNTY, VA

**County Board Agenda Item
September 26, 2009**

DATE: September 15, 2009

SUBJECT: Approval of a Deed of Lease between AHC Limited Partnership-10, Landlord, and the County Board of Arlington County, Virginia, Tenant, for a 15 Year Lease for a Portion of the Building Located at 4108 Fourth Street North, Arlington, VA (Gates of Ballston Community Center, RPC Number 20022004).

C. M. RECOMMENDATIONS:

1. Approve the attached Deed of Lease between AHC LP-10, Landlord, and the County Board of Arlington County, Virginia, Tenant, for a 15 Year Lease for a Portion of the Building Located at 4108 Fourth Street North, Arlington, VA (Gates of Ballston Community Center, RPC Number 20022004).
2. Authorize the Real Estate Bureau Chief, or his designee, to execute and deliver on behalf of the County Board, the Deed of Lease, and all related documents, subject to approval as to form by the County Attorney.

ISSUE: As a part of the lease process, the County Board is being requested to approve and authorize the execution of the Deed of Lease ("Lease"), as shown on Exhibit A, for the Department of Human Services ("DHS") for the relocation of the Community Outreach Program, from its existing temporary location at 4116 N. Third Street, Units 1 and 3, to the new Gates of Ballston Community Center. There are no outstanding issues.

SUMMARY: By approving this Lease, DHS staff will move the Community Outreach Program for the Buckingham community from their current temporary location, into a permanent location in the Gates of Ballston Community Center. AHIF funding, which was provided to the Gates of Ballston housing project, was conditioned on provision of space to DHS for the Community Outreach Program at the current rent paid for the temporary outreach center location, review of the design and utilization of the new building by DHS, and final design approval by the County Manager. All conditions have been met.

BACKGROUND: The Community Outreach Program of DHS has run the Buckingham Community Center for 17 years through a lease between the County and the owners of the property. The primary function of the Community Outreach Program is to provide neighborhood

County Manager: _____

County Attorney: _____

Staff: Linda DePersis, DES-Real Estate Bureau and Judy Brosch, DHS

based English as a second language classes, computer classes, citizenship classes and life skills workshops along with linking participants to other needed County and community programs.

The DHS Community Outreach Program will have access to the community room with no additional fees charged for the use of the space. This includes groups sponsored by the DHS Community Outreach Program, including the Buckingham Volunteers. The proposed uses of the leased space, by these groups, fall within the types of uses permitted by the Lease.

DISCUSSION: The attached Lease has been structured to provide a commercially viable agreement to protect the County's rights and needs as a local government. Some of the pertinent provisions of the Lease are as follows:

- The County's Exclusive Space consists of approximately 1,560 rentable square feet of space for various permitted uses as defined in the Lease.
- The County shall also have access to 2,769 square feet of Shared Space.
- The Landlord is required to provide up to three surface parking spaces, free of charge, to the County. Surface parking and street parking will be available for the County program participants and volunteers on a nonexclusive, as available, basis.
- The initial Lease term is for fifteen (15) years.
- The County has the right to renew the Lease for five (5) additional periods of five (5) years each.
- The County has the option of terminating the Lease, as long as the County is not in default, upon at least twelve (12) months written notice to the Landlord.
- Initial Base Rent equates to \$1,863.59 per month or \$22,363.08 per annum for the first Lease year. Rent increases by 3 percent for the second through fifteenth Lease years.
- The County is required to pay 22.84% for its prorata share of increases in Operating Expenses and Real Estate Taxes, starting one year after the Lease Commencement Date. These additional costs are estimated to be between \$3,000 and \$4,000 in the second year of the Lease.
- The Landlord will provide janitorial services for the County's Demised Premises.
- The Landlord will maintain the Demised Premises and the Common Areas of the Building.

FISCAL IMPACT: The lease costs for the first year of the Lease (starting on October 1, 2009) will be \$22,363 which is appropriated to DHS in the FY 2010 adopted budget.

Exhibit A - Lease
GATES OF BALLSTON COMMUNITY CENTER
DEED OF LEASE
BETWEEN AHC LIMITED PARTNERSHIP-10

AND
THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

THIS DEED OF LEASE ("Lease") made this ____ day of _____ 2009, by and between **AHC LIMITED PARTNERSHIP-10**, a Virginia limited partnership, hereinafter "Landlord", and **THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA**, a body politic, hereinafter "Tenant."

WHEREAS, the Landlord owns the real property, including the 9,038 square foot Community Center ("Building") and parking lot, located at 4108 4th Street North Arlington, VA 22204, RPC Number 20022004 ("Property"), as shown on Attachment 1-A "Property Description" and Attachment 1-B "Vicinity Map".

WHEREAS, the Landlord does hereby lease to the Tenant and the Tenant does hereby lease from the Landlord, upon the terms hereinafter described, the hereinafter described Demised Premises, which is located in the Building on the Property.

WITNESSETH, that for and in consideration of the rents, mutual covenants and agreements hereinafter set forth, and in further consideration of One Dollar and ^{Zero}/₁₀₀ Dollars (\$1.00) and other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto do hereby mutually agree as follows:

1. **DEMISED PREMISES**. The Demised Premises are shown on the plans and consist of the following areas as designated on Exhibit A, attached hereto and incorporated herein by reference:
 - A. **Exclusive Space**: Tenant's exclusive space consists of 1,560 square feet, more or less, of usable space, known as Office DHS Classroom A, DHS Classroom B, DHS Meeting Room, DHS office, DHS Storage Rooms, and the Computer Class Room located on the Second Floor of the Building ("Exclusive Space"). Landlord shall provide Tenant's two (2) on-site employees and their immediate supervisor with a FOB key device to the access control reader for the Building so they may use the Exclusive Space twenty four (24) hours a day, seven days a week. Prior to Landlord's issuance of the FOB key devices to the aforesaid, Tenant shall give Landlord a list containing the names and phone numbers for its two (2) on-site employees and their immediate supervisor. Tenant shall not allow its personnel or invitees to have access to the premises during non-operating hours (10:00 pm to 8:00 am Monday – Saturday, and County observed holidays) unless accompanied by one (1) of Tenant's two (2) on-site employees or their immediate supervisor.
 - B. **Shared Space**: The space shared among the Landlord and Tenant consists of 2,769 square feet, more or less, of lobbies, hallways, elevators, restrooms and the Community Room in the Building ("Shared Space"). Tenant and its designated invitees shall have use of the Shared Space, as available, upon filling in a reservation for the Shared Space in the log provided by Landlord. No fees (other than the Rent to be paid by Tenant pursuant to Section 7 of this Lease) shall be charged, to the Tenant or its designated invitees, for the use of the Shared Space. If Tenant or its designated invitees damage the Shared Space, then the Tenant, to

the extent permitted by law, or designated invitees(s) who caused such damage shall pay its respective costs associated with repairing the damage within a reasonable period of time, not to exceed thirty (30) business days, after notice of such damage and the costs to repair same. Tenant is not required to pay any other additional fees for the use of the Shared Space, including the additional fees listed in the Landlord's "Use and Operations Policy and Procedures", attached hereto as Exhibit D-1. Landlord reserves the right to make reasonable changes to its Use and Operations Policy and Procedures, from time to time, by submitting a reasonable written thirty (30) days, in advance, notice to Tenant. Any other such rules and regulations shall not interfere with the intended use of the Demised Premises and shall in no event be inconsistent with the terms of this Lease.

2. **PARKING SPACES.** Tenant shall have the right to use the surface parking lot and street parking free of charge, for the County program participants and volunteers on a nonexclusive, as available, basis. Throughout the Initial Term and all Extension Period(s) (as hereinafter defined), Landlord shall provide up to three parking permits, free of charge, to Tenant.

3. **LANDLORD'S WORK.**

- A. Landlord guarantees that the Demised Premises complies with applicable building codes, laws and regulations (including, without limitation, the Americans with Disabilities Act) upon the Lease Commencement Date (as hereinafter defined in Section 6A). Tenant shall accept the Demised Premises and the Shared Space in "As Is" condition.
- B. Landlord, at its sole cost and expense, shall place Tenant's name on the Directory Board for the Building.
- C. Landlord will provide cleaning services (per the attached Cleaning Specifications attached hereto as Exhibit A-1) and Tenant shall pay, as additional rent, the costs to provide cleaning services per the specifications for the Exclusive Space. Cleaning services will occur Monday through Friday, after 10:00 p.m. and before 10:00 a.m. so as to not disrupt Tenant's use of the Demised Premises.

4. **EQUIPMENT AND EXPENSES.**

- A. Refrigerators: Landlord shall provide a refrigerator in the Community Room for Landlord's exclusive use and a refrigerator in the Community Room for Tenant's exclusive use.
- B. Personal Property: By separate agreement, Tenant has purchased furniture from Landlord ("Personal Property") shown on Exhibit B. Prior to the Lease Commencement Date, Landlord shall have, or cause to have, the Personal Property delivered and setup in the Tenant's Exclusive Space.

5. **ACCESS TO DEMISED PREMISES PRIOR TO LEASE COMMENCEMENT DATE.**

- A. Tenant shall have access to the Demised Premises upon execution of this Lease. After the Lease has been fully executed, Landlord may submit an invoice to Tenant, and the Tenant shall pay within ten-business days for any occupancy of the Demised Premises by Tenant that occurs between the execution date of the

Lease and the Lease Commencement Date. The invoice shall be based upon the prorated daily cost of Base Rent, for the first Lease year, for such aforesaid period.

- B. On or before the Access Delivery Date, Landlord and Tenant will each obtain and maintain the minimum insurance coverages, respectively, as described in Section 13 of this Lease, in order to protect their respective insurable interests in the Building and personal property. All insurance required will be issued by insurers licensed in Virginia, or approved by the Commonwealth of Virginia as qualified surplus lines insurers, or otherwise agreed to by the parties. All insurers will have a minimum rating equivalent to a rating of A-IX by A.M. Best. The required insurance may be subject to reasonable deductibles or self-insured retention levels. The uses of such deductibles or self-insured retention levels are the exclusive responsibility of the primary named insured. Failure to obtain and maintain any required insurance shall not relieve or excuse the parties or their surety, or their bond, from any obligations or liability under this Lease. Nor shall the insurance requirements be construed to conflict with or limit the obligations stated elsewhere in this Lease. Evidence of required insurance coverage shall be provided by Landlord to Tenant, and by Tenant to Landlord, by the Access Delivery Date. Such evidence of Landlord's insurance shall be evidenced by the appropriate Certificate of Insurance delivered by Landlord to Tenant prior to the Access Delivery Date, and annually thereafter. The County's Risk Manager shall issue a Confirmation of Insurance Letter of Tenant's insurance to the Landlord prior to the Access Delivery Date. The insurance policies shall require the issuing carrier to give at least thirty (30) days prior written notice to all named insureds in the event of any material change in coverage, cancellation, or non-renewal, including any change in the use of the Demised Premises which results in a change of insurance rating classification for the Demised Premises.

6. **TERM.**

- A. Lease Commencement Date: The initial term of the Lease will be fifteen (15) years ("Initial Term"), commencing on the first day of the month after the Lease has been fully executed ("Lease Commencement Date").
- B. Expiration: The Lease shall expire at midnight on the date fifteen (15) years after the Lease Commencement Date. Upon the expiration of the Term, end of the Renewal Term, end of the month-to-month tenancy, or upon other termination of this Lease, as the case may be, Tenant shall quit and deliver the Demised Premises in good condition (taking into account the length of the Term and the permitted use hereunder), ordinary wear and tear, and damage by the elements, fire, and other unavoidable casualty, excepted. If, however, Tenant retains possession of said Demised Premises after the end of any Term, with the permission of Landlord, then the Tenant shall, by virtue of such permission, be and become a Tenant of Landlord from month to month, upon the same terms and conditions as set forth in this Lease, except that the amount of Base Rent shall be increased by three percent (3%) per annum on the anniversary of Rent Commencement Date. The month-to-month tenancy thus created can be terminated by either party giving to the other party not less than a thirty (30) day

prior written notice for the month-to-month lease to expire on the last day of any month.

C. Option to Extend. The Tenant shall have the option to extend the term hereof for five (5) additional periods of five (5) years each (each, an "Extension Period"), provided:

(i) Tenant gives written notice to Landlord of Tenant's election to exercise such extension option no earlier than twelve (12) and no later than six (6) months prior to the expiration of the Initial Term or any Extension Period, as the case may be;

(ii) no event exists at the time of the exercise of such option, which event by notice and/or passage of time would constitute an event of default if not cured within the applicable cure period.

All terms and conditions of the Lease shall remain in full force and effect during each Extension Period, including, without limitation, all provisions governing the payment of Base Rent, annual increases in Base Rent, and Additional Rent.

D. Tenant's Option to Terminate. Tenant shall have the absolute right and option, without liability, penalty or further obligation whatsoever, to terminate the Lease at any time during the Initial Term and Extension Period, at Tenant's sole and absolute discretion (the "Termination Right") effective as of the date that is specified by Tenant for the termination of the Lease (the "Termination Date") subject to the following terms and conditions:

(i) at the time of the exercise of the Termination Right and at all times thereafter through the Termination Date, Tenant is not in default under the Lease beyond any applicable notice and cure period; and

(ii) Tenant shall provide Landlord with a written notice of the exercise by Tenant of the Termination Right (the "Termination Notice") at least twelve (12) months prior to the Termination Date specified in the Termination Notice. Irrespective of when Tenant provides the Termination Notice, the termination of the Lease shall not be effective until the Termination Date.

If Tenant exercises the Termination Right as aforesaid, then the Lease shall terminate on the Termination Date in the same manner as if said date had been originally scheduled date for the expiration of the Term. Without limitation of any other right of Tenant under the Lease, Tenant shall have no obligation to occupy or use all or any portion of the Demised Premises at any time after the issuance by Tenant of the Termination Notice, provided Tenant shall remain fully liable for its obligations under this Lease through the Termination Date.

7. **RENT.** The Tenant will pay Base Rent for the Demised Premises, due on the first (1st) and payable by the tenth (10th) day of each month, in equal monthly installments, without deduction or demand, in the following manner:

| | <u>MONTHLY</u> | <u>ANNUAL</u> |
|---|----------------|---------------|
| Rent Commencement Date and on each subsequent anniversary thereafter, Tenant shall pay the following amounts for Base Rent: | \$1,863.59 | \$22,363.08 |

- A. Rent Commencement Date: The Rent Commencement Date shall fall on the first calendar day of the month following Landlord's receipt of the Certificate of Occupancy for the Demised Premises and after full execution of the Lease.
- B. Lease Year: Lease Year shall mean the twelve (12) calendar month period beginning with the Lease Commencement Date or, if the Lease Commencement Date does not occur on the first day of a calendar month, then the twelve calendar month period beginning on the first day of the first full calendar month after the Lease Commencement Date, and each successive twelve (12)-calendar month period thereafter during the Initial Term and any Extension Period hereof. Any partial calendar month immediately following the Lease Commencement Date shall be not be included in the First Lease Year.
- C. Tenant Share of Operating Costs: Starting one (1) year after the Commencement Date, Tenant shall pay 22.84% for its pro-rata share of the actual cost for operating expenses incurred for the Building over the actual operating costs of the Building for CY 2010 ("Base Year"), in accordance to this Section, for the Community Center (see Exhibit C "List of Acceptable Operating Costs" for a list of all applicable expenses). Landlord shall not recover more than one hundred percent (100%) of the Operating Expenses actually paid by Landlord. Landlord shall send an invoice and a list of itemized operating expenses to Tenant, on a quarterly basis, for Tenant's Share of Operating Costs. Tenant shall include the reimbursement for Tenant's Share of Operating Costs in the next rent payment due date due to Landlord.
- D. Exclusions from Operating Costs: Notwithstanding the foregoing or any other term or condition of this Lease to the contrary, Operating Costs shall not include:
 - (i) debt service, interest, amortization of mortgages or any other debt, financing costs, late fees or interest on overdue payments (unless the same are the result of Tenant's failure to pay Rent when due);
 - (ii) depreciation of the Building;
 - (iii) payments required to be made by tenants of the Building under agreements for direct reimbursement for services (*e.g.*, separate telephone service);
 - (iv) ground rent or other rental payments made under any ground lease or underlying lease;
 - (v) costs of leasing commissions, advertising and promotional expenses (including, but not limited to gift baskets, gift certificates, flowers, ice cream socials, breakfasts, luncheons, dinners, picnics, etc.) and other expenses incurred in procuring tenants for the Building or in connection with the renewal or expansion of any existing tenancies or negotiating with prospective tenants;
 - (vi) any cash or other consideration paid by Landlord on account of, with respect to, or in lieu of tenant work or alterations;
 - (vii) salaries, wages, or other compensation or benefits paid to officers or executives of Landlord or Management Agent, on-or-off-site employees or other employees of Landlord or Management Agent who are not

- assigned full-time to the operating, management, maintenance or repair of the Building;
- (viii) costs incurred in connection with the sale, financing, refinancing, mortgaging, selling or change of ownership of the Building or the Property;
 - (ix) repairs or replacements (a) necessitated by the negligence or willful misconduct of Landlord or its employees or agents, (b) required to cure violations of governmental laws, ordinances, rules and regulations applicable to the Property as of the initial Commencement Date (unless the violation is solely caused by Tenant), or (c) necessitated by design flaws, construction defects, and/or structural defects in the Building or the Property;
 - (x) costs of enforcement of leases of other tenants in the Property and any other agreements and reserves for bad debt;
 - (xi) legal fees, accounting fees and other professional and consulting fees (a) incurred in procuring tenants for the Building or the Property (including, without limitation, fees incurred in connection with (i) failed negotiations with prospective tenants; and (ii) the design and construction of tenant improvements for any other tenant or prospective tenant), (b) incurred in connection with Landlord's negligence or willful misconduct or non-compliance with any mortgage, deed of trust or lease relating to the Property, (c) relating to enforcing any leases or any landlord/tenant proceeding, (d) relating to the defense of Landlord's title to, or interest in, the Property, including without limitation, any foreclosure or bankruptcy proceeding, (e) relating to the refinancing or sale of the Property or any interest therein or sale of any interest in Landlord; or (f) relating to the internal affairs of the ownership entity or entities constituting Landlord;
 - (xii) the cost of repairs incurred by reasons of fire or other casualty or condemnation;
 - (xiii) income or franchise taxes or such other taxes imposed upon or measured by Landlord's gross receipts such as BPOL tax, gross revenue or by Landlord's net income;
 - (xiv) recordation and transfer taxes and capital gain taxes, including, without limitation, any such taxes incurred if this Lease is recorded by Landlord;
 - (xv) the cost of any additions to the Building and of painting or decorating other than in common or public areas of the Property;
 - (xvi) any tenant work performed or alteration of space leased to tenants or occupants of the Building whether such work or alteration is performed for the initial occupancy by such tenant or occupant or thereafter;
 - (xvii) the cost of alterations, capital improvements, replacements and repairs which under generally-accepted accounting principles are properly classified as capital expenditures;
 - (xviii) any cost representing an amount paid for services or materials to a person, firm or entity to the extent such amount exceeds the amount that should be paid for such services or materials of comparable quality at the then-existing market rates;

- (xix) all expenses for which Landlord has received (or is entitled to receive) reimbursement (such as by insurance and by other tenants of the Property);
- (xx) rentals and other related expenses incurred in leasing air-conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature;
- (xxi) direct and indirect costs incurred to clean up, contain, abate, remove, or otherwise remedy asbestos or hazardous waste (as determined by federal, state or local laws or regulations) existing on the Property at the Commencement Date unless the wastes were in or on the Demised Premises or the Building because of Tenant's acts or those of Tenant's Licensees and their respective agents, employees, invitees, subtenants or contractors;
- (xxii) the cost of performing special services or installations to or for tenants or occupants to the extent such service exceeds that provided by Landlord to Tenant without charge hereunder;
- (xxiii) electricity costs or overtime HVAC costs, if charged separately to any tenants in the Building (including Tenant);
- (xxiv) fees and expenses of property management services in excess of five percent (5%) of gross income derived from the Property (insurance or otherwise); provided however, that in the event that the Building's property management fee (*i.e.*, the percentage of gross revenue) for any Calendar Year is higher than such property management fee used in calculating the Base Operating Expenses, then the Base Operating Expenses shall, for purposes of calculating Excess Operating Expenses, be adjusted to reflect such higher property management fee;
- (xxv) painting or decorating other than in common areas or public areas of the Building;
- (xxvi) the cost of artwork;
- (xxvii) costs or payments associated with Landlord obtaining air rights or development rights.

D. Base Rent Increases: On the anniversary of each sequential Lease Year during the balance of the Term, the Base Rent will be increased by three percent (3%) over the previous years' rent.

Rent shall be paid, by Tenant, to AHC LIMITED PARTNERSHIP-10, c/o AHC Management LLC, 4108 4th Street North, Arlington, Virginia 22204, or to such other agent and at such other place as Landlord may from time to time designate to Tenant, in writing.

8. DELINQUENT RENT CHARGES. In the event any installment of Base Annual Rent or Additional Rent due hereunder is not paid within ten (10) calendar days after it is due, then Tenant shall also pay to Landlord as Additional Rent (a) a late payment fee equal to two percent (2%) of the payment as liquidated damages for the additional administrative costs incurred by Landlord as a result of such late payments, plus (b) an interest charge calculated at the rate of two percent (2%) per annum above the then Prime Rate of interest on the delinquent payment from the date due until paid. Notwithstanding the foregoing, in the event that Tenant has not paid all or any portion of Base Annual Rent or Additional Rent claimed due by Landlord as a

result of Tenant's application of any set off right hereunder or as a result of a reasonable dispute raised by Tenant as to Landlord's entitlement to such payment, then, unless Tenant is finally adjudged by a court of competent jurisdiction to be the non-prevailing party in such dispute, Tenant shall not be deemed to be in default and no late charge or interest charge shall apply to such unpaid amounts.

9. USE OF DEMISED PREMISES.

- A. Tenant shall be entitled to use and occupy the Demised Premises for DHS programs, including, but not limited to, English as a second language classes, computer classes, citizenship classes, life skills workshops and resident information and referral. Tenant shall use the Premises in accordance with applicable zoning regulations, and the Rules and Regulations shown on Exhibit D and with the understanding that the Landlord shall have the right to prevent uses by DHS not deemed to be reasonably consistent with the above stated uses and those uses provided by AHC Inc. to the residents of the Gates of Ballston. Landlord may, amend the Rules and Regulations from time to time upon reasonable notice to Tenant. The Rules and Regulations shall not be construed to in any way modify or amend, in whole or in part, the agreements, covenants, conditions and provisions of this Lease.
- B. Tenant covenants that it will maintain the Exclusive Space in a clean and sanitary condition, and Tenant shall maintain the Shared Space in such a manner that it is restored to the condition immediately prior to Tenant's use of the Shared Space, normal wear and tear excepted.
- C. Tenant covenants that it will, at its own cost, promptly comply with and carry out all orders, requirements or conditions hereinafter imposed upon it by any applicable ordinances, laws, codes and/or regulations of the federal, state and local governments including the Americans with Disabilities Act of 1991, 42 U.S.C. §12.101 *et seq.*, as amended, and all regulations applicable thereto, promulgated after the Lease Commencement Date, during the Lease Term, insofar as that additional ADA work is only required in the Tenant's Exclusive Space, in the conduct of the particular business of the Tenant. Notwithstanding the foregoing, Tenant will be entitled to contest the applicability of such ordinances, laws, codes, and/or regulations to the Demised Premises or to the Tenant, provided however, that Tenant first provides Landlord with such reasonable assurances as Landlord may require protecting itself against loss, damage, cost or liability that may arise therefrom.

10. ILLEGAL USE. The Tenant will not use or permit the Demised Premises, or any part thereof, to be used for any unlawful or extra hazardous purpose nor for any other purpose than hereinbefore specified; and will not manufacture any commodity therein, without the prior written consent of the Landlord.

11. SUBLETTING, LICENSING AND ASSIGNMENT.

- A. With Landlord's consent, which shall not unreasonable be withheld, conditioned or delayed, Tenant may grant licenses in all or a portion of the Demised Premises, to Tenant's Licensees, who are hereby defined for the purposes of this Lease as contractors, non-profit organizations or other entities and other governmental

agencies which provide services to Tenant's government operation or to the public in conjunction with, for, or on behalf of Tenant as determined by Tenant. As a condition to occupying the premises Tenant's Licensees shall agree, in writing, to comply with all applicable provisions of the Lease, and shall not do anything that would constitute a violation of any part or conditions of the Lease, including, but not limited to, naming alterations or improvements to the buildings without the prior consent of Tenant and Landlord.

- B. Tenant shall not assign, transfer, mortgage or otherwise encumber this Lease or sublet or rent (or permit occupancy by others of) the Demised Premises, or any part thereof, without the prior written consent of Landlord, which consent shall not unreasonably be withheld, conditioned, or delayed. No sublease of the Demised Premises or assignment of this Lease to one or more Tenant's Licensee's shall relieve Tenant, *vis-à-vis* Landlord, of Tenant's obligations hereunder. Any assignment, transfer, mortgage, encumbrance, sublet or occupancy of the Demised Premises in violation of the preceding sentence shall be null and void.
- C. Tenant shall furnish to Landlord a copy of the proposed instrument of assignment or subletting under the terms of this Section at the time Landlord's consent thereto is requested. Notwithstanding any other term or condition of this Lease to the contrary, any request for Landlord's consent to a proposed assignment or subletting shall be deemed to have been granted by Landlord unless Landlord, within fifteen (15) days after Tenant's written request for Landlord's consent, provides Tenant with a written notice reasonably denying or conditioning its consent in a manner consistent with the terms of this Section. Any such denial or conditioning of consent by Landlord shall include a detailed statement of Landlord's rationale for such action. Any consent by Landlord to any assignment or subletting shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation contained in this Lease, nor shall such assignment or subletting be construed to relieve Tenant from obtaining the consent in writing of Landlord to any further assignment or subletting. In the event that Tenant defaults under this Lease beyond any applicable notice or cure periods, Tenant hereby assigns to Landlord the rent due from any subtenant of Tenant and hereby authorizes each such subtenant to pay said rent directly to Landlord. In the event of any assignment or sublet, Landlord shall not have the right to recapture the assigned or sublet space.
- D. Landlord's consent to a proposed sublease or assignment shall not be unreasonably withheld, conditioned or delayed, provided that the Landlord reasonably determines that the proposed subtenant or assignee
 - (i) is of a type and quality consistent with the first class nature of the Building,
 - (ii) has the financial capability and creditworthiness to undertake and perform the obligations of the Lease or the sublease, and

- (iii) will not impose any additional material burden upon the Landlord in the operation of the Building (*i.e.*, to an extent greater than the burden to which Landlord would have been had Tenant continued to use such part of the Demised Premises).
- E. In addition, the following conditions must be satisfied at the time Tenant requests Landlord's consent to an assignment or sublease:
- (i) no event of default exists and no event has occurred which, with notice and/or the passage of time, would constitute an event of default if not cured within the time, including any applicable grace period, specified herein;
 - (ii) Landlord receives at least sixty (60) days' prior written notice of Tenant's intention to assign the Lease or sublet any portion of the Demised Premises;
 - (iii) the proposed use of the Demised Premises is substantially the same as that permitted under the terms of the Lease and will not violate any other agreement affecting the Demised Premises or the Building;
 - (iv) Tenant submits to Landlord whatever information Landlord reasonably requests in order to permit Landlord to make a judgment on the proposed subletting or assignment, including without limitation the name, business experience, financial history, net worth and business references of the proposed assignee or subtenant, a description of the transaction, and the consideration delivered to Tenant for the assignment or sublease;
 - (v) the proposed assignee or subtenant is not a tenant of the Building or a prospective tenant who, within the six (6) months prior to Tenant's request, has talked to Landlord or its brokers or agents about the possibility of leasing space in the Building; and
 - (vi) Tenant shall remain jointly and severally liable for the performance of all covenants and obligations contained in the Lease. Notwithstanding the foregoing, the Tenant shall have the right to sublet the Demised Premises or any part thereof, or transfer possession or occupancy thereof, to any entity affiliated or controlled by the Tenant, provided that the Tenant shall remain jointly and severally liable for the performance of all covenants and obligations contained in the Lease.

12. TENANT ALTERATIONS.

- A. Tenant shall neither make nor allow any alterations, decorations, replacements, changes, additions or improvements (collectively referred to as "Alterations") to any part of the shared space of the building without the prior written consent of the Landlord. In addition, Tenant may not make or allow any Alteration to the Demised Premises that will or may affect the exterior appearance or structure of

the Building, without the prior written consent of Landlord, granted or denied at Landlord's sole discretion. Tenant shall not make or allow any other kind of Alterations to the Demised Premises or any part thereof without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. All of such Alterations, structural or otherwise, must conform to all rules and regulations established from time to time by the Underwriters' Association of the jurisdiction in which the Property is located, must be performed in a good and workmanlike manner, must comply with all applicable building codes, laws and regulations (including without limitation the Americans with Disabilities Act), shall not require any changes to or modifications of any of the Building's mechanical, electrical, plumbing or other systems and shall otherwise be constructed in strict accordance with the terms and conditions of this Section.

- B. It is understood and agreed by Landlord and Tenant that any Alterations undertaken in the Demised Premises shall be constructed at Tenant's expense. No consent by Landlord to any Alterations shall be deemed to be an agreement or consent by Landlord to subject Landlord's interest in the Demised Premises or the Building to any mechanic's or materialmen's liens which may be filed in respect to such Alterations made by or on behalf of Tenant.
- C. Tenant shall keep the Demised Premises free from any liens arising out of any work performed on, or materials furnished to, the Demised Premises, or arising from any other obligation incurred by Tenant. If any mechanic's or materialmen's lien is filed against the Demised Premises or the Building for work claimed to have been done for or materials claimed to have been furnished to Tenant, such lien shall be discharged by Tenant within sixty (60) days thereafter, at Tenant's sole cost and expense, by the payment thereof or by filing any bond required by law.
- D. Any Alterations of any kind to the Demised Premises or any part thereof (with the exception of Tenant's equipment, Personal Property and moveable trade fixtures) shall at once become part of the realty and belong to Landlord and shall be surrendered with the Demised Premises, as a part thereof, at the end of the Term hereof. However, that Landlord may, by sending a written notice to Tenant, at least thirty (30) days prior to the end of the Term, require Tenant to remove any Removal Alterations (hereinafter defined) and to repair any damage to the Demised Premises caused by such removal, at Tenant's sole expense. As used herein, the term "Removal Alterations" shall mean any Alterations
 - (i) which Landlord, in response to a Removal Inquiry (hereinafter defined) by Tenant, indicated to Tenant must be removed by Tenant at the end of the Term; and
 - (ii) with respect to which Tenant did not make inquiry of Landlord, at the time Tenant sought Landlord's approval of such Alteration (in accordance with the provisions above). As used herein, the term "Removal Inquiry" shall mean an inquiry by Tenant, made to Landlord contemporaneously with Tenant's request for approval of an Alteration, as to whether or not such Alteration need be removed by Tenant at the end of the Term. Any article

of personal property, including business and trade fixtures, not attached to or built into the Demised Premises, which were installed or placed in the Demised Premises by Tenant at its sole expense, is and shall remain the property of Tenant and may be removed by Tenant at any time during the Term. Tenant shall reimburse Landlord for the actual cost of repairs for damage to the Demised Premises or the Building caused by such removal.

13. INSURANCE.

- A. Landlord and Tenant will each obtain and maintain the minimum insurance coverages respectively, in order to protect their respective insurable interests in the Building.

All insurance required will be issued by insurers licensed in Virginia, or approved by the Commonwealth of Virginia as qualified surplus lines insurers, or otherwise agreed to by the parties. All insurers will have a minimum rating equivalent to a rating of A-IX by A.M. Best.

Required insurance may be subject to reasonable deductibles or self-insured retention levels. The uses of such deductibles or self-insured retention levels are the exclusive responsibility of the primary named insured.

Failure to obtain and maintain any required insurance shall not relieve or excuse the parties or their surety, or their bond, from any obligations or liability under this Lease. Nor shall the insurance requirements be construed to conflict with or limit the obligations stated elsewhere in this Lease.

Evidence of required insurance coverage shall be provided by Landlord to Tenant, and by Tenant to Landlord, no later than the first Delivery Date. Such evidence of Landlord's insurance shall be evidenced by the appropriate Certificate of Insurance delivered by Landlord to Tenant prior to the Lease Commencement Date, and annually thereafter. The insurance policy shall require the issuing carrier to give at least thirty (30) days prior written notice to all named insureds or additional insureds in the event of any material change in coverage, cancellation, or non-renewal, including any change in the use of the Demised Premises which results in a change of insurance rating classification for the Demised Premises.

B. LANDLORD'S INSURANCE REQUIREMENTS:

Landlord's insurance shall be as set forth in Section 5B of this Lease and as listed hereunder:

- (i) Insurance with respect to the Improvements insuring against any peril now or hereafter included within the classification "All Risk" or "Special Perils" (including, without limitation, fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke), in each case (a) in an amount equal to 100% of the "Full Replacement Cost," which for purposes hereof shall mean actual

replacement value exclusive of costs of excavations, foundations, underground utilities and footings, with a waiver of depreciation; (b) containing an agreed amount endorsement with respect to the Improvements and Personal Property waiving all co-insurance provisions; (c) providing for no deductible in excess of \$25,000; (d) at all times insuring against at least those hazards that are commonly insured against under a “special causes of loss” form of policy, as the same shall exist on the date hereof, and together with any increase in the scope of coverage provided under such form after the date hereof; and (e) providing coverage for contingent liability from Operation of Building Laws, Demolition Costs and Increased Cost of Construction Endorsements together with an “Ordinance or Law Coverage” or “Enforcement” endorsement;

- (ii) Commercial General Liability Insurance against all claims for personal injury, bodily injury, death or property damage occurring upon, in or about the Property, including “Dram Shop” or other liquor liability coverage if alcoholic beverages are sold from or may be consumed at the Property, such insurance (a) to be on the so-called “occurrence” form with a general aggregate limit of not less than \$3,000,000 and a per occurrence limit of not less than \$1,000,000; and (b) to cover at least the following hazards: (1) premises and operations; (2) products and completed operations on an “if any” basis; (3) independent contractors; (4) blanket contractual liability for all written and oral contracts; and (5) contractual liability;
- (iii) Loss of Rents and/or Business Interruption Insurance covering all risks required to be covered by the insurance in an amount equal to 100% of the projected gross income from the Property (on an actual loss sustained basis) for a period of eighteen (18) months;
- (iv) Workers’ Compensation, subject to the statutory limits of the Commonwealth of Virginia, and employer’s liability insurance with a limit of at least \$1,000,000 per accident and per disease per employee, and \$1,000,000 for disease aggregate in respect of any work or operations on or about the Project, or in connection with the Project or its operation (if applicable);
- (v) Comprehensive Boiler and Machinery Insurance covering all mechanical and electrical equipment and pressure vessels and boilers in an amount not less than \$10,000,000;
- (vi) Umbrella Liability Insurance in an amount not less than \$25,000,000 per occurrence on terms consistent with the commercial general liability insurance policy required under Subsection C above;
- (vii) Motor Vehicle Liability coverage for all owned and non-owned vehicles, including rented and leased vehicles containing minimum limits per occurrence, including umbrella coverage, of One Million and ^{Zero}/₁₀₀ Dollars (\$1,000,000); and

- (viii) Such other insurance and in such amounts as Landlord's lender from time to time may reasonably request.

Tenant may periodically require that Landlord increase or decrease the limits of insurance to be maintained by Landlord pursuant to this Section, although Tenant may not require a decrease of such limits below commercially reasonable levels or levels required by Landlord's lender, nor require an increase of such limits above those that Landlord is capable of obtaining.

Tenant, its elected and appointed officers and officials, employees, and Tenant's Licensees shall be named as additional insureds by endorsement to the commercial general liability (including property liability), comprehensive automobile liability, and umbrella/excess liability insurance policies.

C. TENANT'S INSURANCE REQUIREMENTS:

Tenant will obtain and maintain the following insurance coverage relative to Tenant's insurable interest in the Building, including the Demised Premises:

- (i) Property Insurance – all risk policy providing coverage for business personal property and removable leasehold improvements at the Building at 100% of the current replacement cost, with a deductible not to exceed \$100,000. There shall be no coinsurance provision.
- (ii) Workers' Compensation and Employers' Liability Insurance – under the applicable workers' compensation laws of the Commonwealth of Virginia, will cover all employees of Tenant working at the Building. This coverage will be obtained with no deductible amount. The workers' compensation coverage will provide statutory benefits coverage. The employers' liability coverage shall provide coverage limits of at least \$1,000,000 for each accident and each employee. This insurance requirement may be replaced with a formal self-insurance program.
- (iii) *Commercial General Liability Insurance* – providing coverage against claims or losses resulting from bodily injury, advertising injury, personal injury and property damage caused by or arising out of the operations under this Lease, and without any right of contribution from any other self-insurance plan or program of insurance carried by either of the parties to this Lease. Such insurance will include coverage for premises operations, products, completed operations, broad form contractual liability, and broad form property damage liability. Such insurance will provide limits of at least \$1,000,000 per occurrence and in the aggregate annually, with no deductible for bodily injury, personal injury and property damage. This insurance requirement may be replaced with a formal self-insurance program.
- (iv) *Comprehensive Automobile Liability Insurance* – providing coverage against claims and losses resulting from bodily injury or property damage caused by or arising out of the ownership, maintenance, operation, use, loading or unloading of any motor vehicle, whether owned, hired, or non-owned, that is used in the performance of operations outlined in this Lease. Insurance will provide limits of at least \$1,000,000 per occurrence and in the aggregate annually, with no deductible for bodily injury and

property damage. This insurance requirement may be replaced with a formal self-insurance program.

- (v) *Umbrella Liability Insurance* – providing coverage against claims and losses resulting from bodily injury, personal injury or property damage in excess of the limits of insurance specified above for commercial general liability and comprehensive automobile liability. The limits of this umbrella liability insurance will be sufficient to provide total coverage of at least \$10,000,000 per occurrence, including the underlying primary limits.
- (vi) Landlord will be named as an additional insured to the umbrella/excess liability policies.

- D. Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby mutually waive and release their respective rights of recovery against each other for any loss of or damage to its property (in excess of a deductible amount for each of Landlord and Tenant that is reasonable in light of the size and status of each of Landlord and Tenant and applicable market conditions) capable of being insured against by fire and extended coverage insurance or any insurance policy providing property damage coverage, whether carried or not; provided, however, such waiver and release shall not apply under any circumstance to loss or damage caused by the intentional acts of Landlord or Tenant, as the case may be. Each party shall apply to its insurer to obtain said waiver and obtain any special endorsement, if required by its insurer to evidence compliance with the aforementioned waiver, and shall bear the cost therefor. Landlord acknowledges that, as of the date of this Lease, Tenant's deductible for property insurance is \$100,000, and that such deductible amount is reasonable in light of Tenant's size, status, and applicable market conditions.
- E. Notwithstanding anything to the contrary contained herein, in order to comply with the provisions of this Section or other provisions of this Lease requiring Tenant to provide insurance coverage, Tenant shall have the right to self-insure as to all or any portion of the insurance coverage or coverages which would otherwise have been required by a third (3rd) party insurance carrier.

14. ACCESS.

- A. Landlord's Access: After notifying Tenant, in writing, at least two (2) business days in advance, except in the event of an emergency, Landlord reserves the right for itself and its agents to enter upon the Demised Premises, during business hours to inspect the same, to show the same to prospective purchasers, lessees or lenders, or to perform such duties as may be the responsibility of the Landlord under the Lease.
- B. Tenant's Access: Throughout the Term, Tenant shall be provided with access to the Building and the Demised Premises twenty four (24) hours per day, 365 days a year. The Building's main entrance doors shall be equipped with a card reader security system or other similar security access system. Prior to the Lease Commencement Date, Landlord shall provide Tenant with access cards for previously identified staff, at no cost to Tenant.

15. **SIGNAGE/ADVERTISING.** Except as otherwise provided in this Lease, Tenant further agrees that no sign, advertisement or notice will be inscribed, painted or affixed on any part of the outside or inside of the Demised Premises or Building, except on the directories and entrances of offices, and then only in such location, size, color and style and such method of installation as the Landlord approves.

16. **SERVICES.**

- A. The Landlord, at its own expense, will furnish reasonably adequate electric current, water, lavatory supplies, and automatically operated elevator service during normal business hours, heat and air conditioning during all seasons of the year, between the hours of 8:00 A.M. and 10:00 P.M. daily ("Normal Business Hours"), excluding federal legal public holidays ("Holidays") and weekends, when the Demised Premises is in use. The HVAC system shall be capable of maintaining an indoor temperature of no more than 76 degrees Fahrenheit and of no less than 70 degrees Fahrenheit, except during time periods where occupant density is in excess of design standards.
- B. Landlord will not be liable for failure to furnish, or for suspension or delays in furnishing, any of such services caused by breakdown, maintenance or repair work or strike, riot, civil commotion, or any cause or reason whatever beyond the control of the Landlord. In the event of any such interruption, Landlord shall use reasonable diligence to restore such services. Notwithstanding the foregoing, in the event that the interruption or cessation of service(s) required to be provided by the Landlord hereunder:
 - (i) is not caused by Tenant, its agents, employees, contractors or invitees;
 - (ii) renders the Demised Premises untenable for Tenant's business use therein; and
 - (iii) exists for more than three (3) consecutive days after any such interruption and Landlord is unable to provide acceptable alternative space to Tenant, then, commencing on the fourth (4th) day after such interruption, Monthly Base Rent hereunder shall be abated for each day after the third (3rd) day of such interruption until such services are restored. The foregoing abatement of Monthly Base Rent shall be Tenant's sole and exclusive remedy resulting from such interruption or cessation.
- C. Landlord shall be responsible for effecting compliance by the common areas of the Building and the Property with the requirements of applicable law, including the applicable requirements of the ADA. As of the Lease Commencement Date, all base Building systems serving the Demised Premises shall be in working order.
- D. Except for repairs and maintenance necessitated by acts or omissions of Tenant, or by any employee, agent, contractor, assignee, subtenant, invitee or customer of Tenant, Landlord shall be responsible for maintenance and repair of the structural elements and common areas of the Building as well as the base-Building systems.
- E. The Landlord will have the right to prescribe the weight and method of installation and position of safes or other heavy fixtures or equipment and Tenant will not install in the Demised Premises any fixtures, equipment or machinery that

will place a load upon any floor exceeding the floor load which such floor was designed to carry.

- F. The floor load for the Building is 110 lbs per square foot. Damage done to the Building by taking in or removing a safe or any other article of Tenant's office equipment, or due to its being in the Demised Premises will be repaired at the expense of the Tenant. Tenant agrees promptly to remove from the public area adjacent to the Building any of Tenant's merchandise there delivered or deposited.

17. DAMAGE ARISING FROM MOVING. All damage to the Demised Premises or the Building, caused solely or in part by the Tenant when the Tenant is moving its property in or out of the Building will be repaired by the Tenant, at the expense of the Tenant, to the extent that the Tenant caused the damage.

18. DAMAGE BY FIRE OR CASUALTY.

- A. If the Premises or any part thereof shall be damaged by fire or any other cause, Tenant shall give prompt notice thereof to Landlord. If, in the judgment of Landlord's architect, restoration of the Premises is possible within a period of six (6) months from the date of the damage, and provided such damage was not caused by Tenant, its agents, servants or invitees, Landlord shall restore the Premises to its condition prior to such damage, provided adequate insurance proceeds are available. In addition, Tenant shall repair and restore, at Tenant's sole expense, equipment and property owned by Tenant and located in the Premises. If the Premises are unusable, in whole or in part, during such restoration, monthly Base Rent and Additional Rent hereunder shall be abated to the extent and for the period that the Premises are unusable; provided, however, that if such damage or destruction shall result from the fault of Tenant, its agents, servants or invitees, Tenant shall not be entitled to any abatement of monthly Base Rent or Additional Rent.
- B. If restoration is not possible in the sole judgment of Landlord's architect within the aforesaid six (6) month period, Landlord shall so notify Tenant, and Landlord and Tenant shall each have the right to terminate the Lease by giving written notice thereof to the other party within sixty (60) days after the occurrence of such damage, in which event the Lease and the tenancy hereunder shall terminate as of the date of such damage or destruction and monthly Base Rent and Additional Rent will be apportioned as of the date of such damage or destruction. If neither party exercises its right of termination, the Premises shall be restored as provided above.
- C. In case the Building generally is so severely damaged by fire or other casualty (although the Premises may not be affected) that Landlord shall decide in its reasonable discretion not to rebuild or reconstruct the Building, then the Lease and the tenancy hereunder shall terminate on the date specified by Landlord in a notice given no later than sixty (60) days after the date of such casualty.

19. DEFAULT OF TENANT.

- A. This Lease shall, at the option of Landlord, cease and terminate if (a) Tenant shall fail to pay any installment of Monthly Rent when due and such failure continues

for a period of ten (10) Business Days after Tenant's receipt of written notice thereof from Landlord, or (b) Tenant shall violate or fail to perform any of the other material conditions, covenants or agreements of this Lease made by Tenant, and any violation or failure to perform any of those conditions, covenants or agreements shall continue for a period of twenty (20) Business Days after Tenant's receipt of written notice thereof from Landlord, or, in cases where the violation or failure to perform cannot, by its nature, be corrected within twenty (20) Business Days, Tenant does not

- (i) begin to correct the violation within such twenty (20) Business Days,
- (ii) thereafter diligently pursue the correction of the violation, and
- (iii) in any event, correct the same within ninety (90) days after Tenant's receipt of Landlord's written notice. If Landlord terminates this Lease pursuant to this Section, Landlord may proceed to recover possession of the Demised Premises as permitted by law.

B. If Landlord elects to terminate this Lease pursuant to this Section, everything herein contained on the part of Landlord to be done and performed shall cease without prejudice to the right of Landlord to recover from Tenant all Rent accruing up to and through the Expiration Date or the date of recovery of possession of the Demised Premises by Landlord, whichever first occurs. Should this Lease be terminated before the Expiration Date by reason of Tenant's default as hereinabove provided, or if Tenant elects to abandon the Demised Premises before the Expiration Date of this Lease without continuing to pay Rent, as and when due hereunder, the Demised Premises may be relet by Landlord for such rent and upon such terms as are not unreasonable under the circumstances, and, if the full Rent herein provided shall not be realized by Landlord, damages or loss of Rent sustained by Landlord may be recovered by Landlord, at the time of the reletting. The provisions contained in this Section shall be in addition to, and shall not prevent the enforcement of, any claim Landlord may have against Tenant for anticipatory breach of the unexpired Term. In the event of a termination of this Lease due to Tenant's default, Landlord agrees to use commercially reasonable measures to mitigate its damages, to relet the Demised Premises at a commercially reasonable rent and to otherwise take all appropriate steps to mitigate its damages and legal fees.

C. If Tenant defaults in the making of any payment to any third party required by this Lease, or doing any act required to be done by Tenant for or on behalf of said third party required by this Lease, and such default is not cured within seven (7) Business Days after Tenant's receipt of written notice thereof from Landlord, then Landlord may, but shall not be required to, make such payment or do such act, and the amount of the expense thereof, if done by Landlord, with interest thereon at the Interest Rate accruing from the date paid by Landlord, shall be paid by Tenant to Landlord and shall constitute Additional Rent hereunder due and payable by Tenant within thirty (30) days after Tenant's receipt of a written statement of costs (and reasonable back-up documentation) from Landlord. Landlord shall give Tenant concurrent notice of the making of such payment or the doing of such act. The making of such payment or the doing of such act by

Landlord shall not operate to cure Tenant's default, nor shall it prevent Landlord from the pursuit of any remedy to which Landlord would otherwise be entitled.

20. DEFAULT OF LANDLORD.

- A. In the event Landlord fails to cure (or promptly commence and diligently pursue the cure of) any breach or failure by Landlord to comply with any of Landlord's material obligations under this Lease within a reasonable period (not to exceed twenty (20) days except in the case of an emergency, in which case, such shorter time as is warranted by the particular circumstances) after Tenant furnishes Landlord with written notice of such failure, then Tenant shall have the right (but not the obligation) to perform such obligation on Landlord's account. Landlord shall reimburse Tenant upon demand for the amount expended by Tenant in performing such obligation (including, but not limited to, its costs of collection). If Landlord fails to make any payment of any sum payable to Tenant hereunder within five (5) Business Days after receipt by Landlord of notice thereof, then such payment shall bear interest at the Interest Rate from the sixth (6th) Business Day.
- B. Notwithstanding any other term or condition of this Lease to the contrary, if Landlord fails to make any payment of any sum payable to Tenant under this Lease within thirty (30) days from the date such payment was due, then Tenant shall have the right, in addition to any other remedies under this Lease or at law or equity, to setoff the amount owed to Tenant (with interest thereon at the Interest Rate from the expiration of such thirty (30) day period until paid in full) against any and all Rent due under this Lease until fully satisfied.
- C. This Lease shall, at the option of Tenant, cease and terminate if Landlord shall violate or fail to perform any of the material conditions, covenants, or agreements of this Lease made by Landlord, and such violation or failure to perform shall continue for a period of twenty (20) days after Landlord's receipt of written notice thereof from Tenant, or, in cases where the violation or failure to perform cannot, by its nature, be corrected within twenty (20) days, Landlord does not (a) begin to correct the violation within such twenty (20) days, (b) thereafter diligently pursue the correction of the violation, or (c) in any event, correct the same within seventy-five (75) days after Landlord's receipt of Tenant's written notice.

21. FEDERAL BANKRUPTCY CODE TRANSFERS.

- A. If as a result of filing of a petition by or against Tenant under the Federal Bankruptcy Code, Landlord is not permitted to terminate the Lease, and pursuant to the Bankruptcy Code, Tenant's interest in the Lease is assigned or otherwise transferred despite Landlord's objections thereto, then Landlord will be entitled to receive, as a precondition to such assignment or transfer, adequate assurances:
 - (i) of the source of all funds due to Landlord under the Lease;
 - (ii) of future performance of all the provisions of the Lease; and
 - (iii) that such assignment or transfer will not breach any provisions regarding permitted use, exclusivity, non-competition requirements, location requirements, requirements regarding quality of merchandise or services, or any other requirements set forth in this Lease.

- B. Anything in the foregoing to the contrary notwithstanding, if a petition is filed by or against Tenant under the Federal Bankruptcy Code and/or a trustee (which term will include debtor in possession) is appointed for any of the assets of Tenant under the Federal Bankruptcy Code, and if such trustee fails to assume the Lease within 60 days of its appointment or the filing of the petition, whichever first occurs, and fails to cure immediately all defaults hereunder and thereafter to continue to faithfully perform all terms, conditions and covenants of the Lease, then Tenant agrees that Landlord may obtain relief from the automatic stay and forthwith regain possession of the Demised Premises and execute upon any security, including the Deposit, given in connection with the Lease.
22. **WAIVER.** No waiver by Landlord or Tenant of any breach of any covenant, condition or agreement specified herein shall operate as invalidation or as a continual waiver of such covenant, condition or agreement itself, or of any subsequent breach thereof. No payment by Tenant or receipt by Landlord of a lesser amount than the amount of Rent due Landlord shall be deemed to be other than on account of the earliest stipulated Rent, nor shall any endorsement or statement on any check or letter accompanying a check for payment of such Rent be deemed an accord and satisfaction. Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of such Rent or to pursue any other remedy provided for in this Lease or in the governing law of the Commonwealth of Virginia. No re-entry by Landlord, and no acceptance by Landlord of keys from Tenant, shall be considered an acceptance of a surrender of this Lease.
23. **SUBORDINATION AND ESTOPPEL CERTIFICATES.**
- A. SNDA: So long as Tenant has received from Landlord's current and, when applicable, all future mortgagees and ground lessors, an executed, subordination, non-disturbance and attornment agreement in a commercially reasonable form reasonably acceptable to Tenant (an "Acceptable SNDA") as shown on Exhibit E, this Lease shall thereafter be subject and subordinate to the lien of all and any mortgages (which term "mortgages" shall include both construction and permanent financing, deeds of trust and similar security instruments, and ground leases) which may now or hereafter encumber or otherwise affect the Property of which the Demised Premises is a part, or Landlord's leasehold interest therein, and to all and any renewals, extensions, modifications, recastings or refinancings thereof. In confirmation of such subordination, Tenant shall within thirty (30) days after Tenant's receipt of Landlord's written request, execute such an Acceptable SNDA. NOTWITHSTANDING ANY OTHER PROVISION OF THIS LEASE TO THE CONTRARY, LANDLORD SHALL PROVIDE TENANT, WITHIN A REASONABLE PERIOD OF TIME AFTER TENANT'S EXECUTION OF THIS LEASE, WITH AN ACCEPTABLE SNDA, EXECUTED BY LANDLORD'S MORTGAGEE(S). IF LANDLORD FAILS TO PROVIDE TENANT WITH AN EXECUTED ACCEPTABLE SNDA WITHIN SUCH TWENTY (20) BUSINESS DAY PERIOD, TENANT SHALL HAVE THE RIGHT TO TERMINATE THIS LEASE AT ANY TIME THEREAFTER, UPON WRITTEN NOTICE TO LANDLORD WITHOUT ANY PENALTY, OBLIGATION, OR LIABILITY WHATSOEVER.
- For the purposes of this Section, the term "commercially reasonable form" shall take into account Tenant's status as a governmental entity and the specific legal

rights appertaining thereto. Landlord and Tenant agree that the form Subordination, Non-Disturbance and Attornment Agreement attached hereto as Exhibit E is an example of a commercially reasonable form. Landlord hereby represents to Tenant that Landlord's current mortgagee has approved the form Subordination, Non-Disturbance and Attornment Agreement attached hereto as Exhibit E for execution and delivery to Tenant pursuant to the terms of this Lease.

- B. Estoppel Certificates: Landlord shall execute and return within thirty (30) days any certificate that Tenant may reasonably request from time to time (but no more than twice during any Calendar Year), stating that this Lease is unmodified and in full force and effect, or in full force and effect as modified, and stating the modification. The certificate shall also state (a) the amount of the monthly installment of Base Annual Rent and Additional Rent and the dates to which such rent has been paid in advance; (b) the amount of any security deposit or prepaid rent; (c) that, to Landlord's knowledge, there is no present default on the part of Tenant nor is there in existence any condition, event, act or omission which with the giving of notice and/or the passage of time will constitute a default on the part of Tenant, or attach a memorandum stating in detail the factual circumstances of such default and/or the basis under the Lease for such default; and (d) the date on which Tenant's rental obligations commenced and the date to which such rent has been paid.

24. CONDEMNATION. If the whole or a substantial part of the Demised Premises, or the Building, shall be condemned by any governmental authority for any public or quasi-public use or purpose, then the Term, at the sole option of Tenant, shall cease and this Lease shall terminate as of the date when title vests in such governmental authority.

- A. If less than a substantial part of the Demised Premises is condemned by any governmental authority for any public or quasi-public use or purpose, Rent due hereunder shall be equitably adjusted on the date when title vests in such governmental authority and this Lease shall otherwise continue in full force and effect. For purposes of this Section, (a) a "substantial part of the Demised Premises" shall be considered to have been taken if twenty percent (20%) or more of the Demised Premises are condemned or acquired in lieu of condemnation, or if less than twenty percent (20%) of the Demised Premises is taken and the portion of the Demised Premises taken renders the entire Demised Premises Untenantable for Tenant's use of the Demised Premises, (b) a "substantial part of the Building" shall be considered to have been taken if twenty percent (20%) or more of the Building is condemned or acquired in lieu of condemnation, or if less than twenty percent (20%) of the Building is taken and the portion of the Building taken renders the Demised Premises Untenantable or inaccessible, shall be considered to have been taken if, as a result of such taking or deed in lieu of condemnation, Landlord is unable, or unwilling, to provide Tenant with the number of parking spaces required pursuant to Section 2 hereof. If a substantial part of the Demised Premises or the Building is condemned, Tenant shall have the right to terminate this Lease without penalty or further liability whatsoever.
- B. If twenty-five percent (25%) or more of the Building is condemned (whether or not the Demised Premises shall have been condemned) and Landlord elects to demolish the remainder of the Building, Landlord may elect to terminate this Lease after one hundred eighty (180) days prior written notice.

25. **HAZARDOUS MATERIALS.** Landlord represents and covenants that to the best of its knowledge and belief there are no Hazardous Materials on, in or under the Property or common areas. Landlord and Tenant hereby mutually covenant not to bring onto the Property or common areas any Hazardous Materials unless in the ordinary operation of the Property or common areas or the conduct of Tenant's business in the Demised Premises and, in all events, in strict compliance with Applicable Laws. Such covenants shall survive the expiration or earlier termination of this Lease. Without limiting the foregoing, Landlord recognizes and acknowledges that Tenant or its agents may use and store within the Building reasonable quantities of customary office and cleaning supplies or other materials consistent with its intended uses; provided such items are stored, used and disposed of in accordance with Applicable Laws. For purposes of this Lease, Hazardous Materials shall include, but are not limited to asbestos or asbestos containing materials. "Hazardous Materials" means any pollutant, contaminant, toxic or hazardous waste, biochemical waste, dangerous substance, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive, radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, or any other substance the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling or ownership of which is restricted, prohibited, regulated or penalized by any and all federal, state, county or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. 9601 *et seq.*), the Hazardous Materials Transportation Act (49 U.S.C. 1801 *et seq.*), the Resource Conservation and Recovery Act (42 U.S.C. 6901 *et seq.*), the Federal Water Pollution Control Act (33 U.S.C. 1251 *et seq.*), the Clean Air Act (42 U.S.C. 7401 *et seq.*), the Toxic Substances Control Act, as amended (15 U.S.C. *et seq.*), and the Occupational Safety and Health Act (29 U.S.C. 651 *et seq.*) (collectively, the "Environmental Regulations"), as these laws have been amended or supplemented.

Landlord shall indemnify and hold harmless Tenant, its elected and appointed officers, officials, employees and agents against any claims, damages, losses or liabilities (including reasonable attorney's fees) incurred by such entity and persons and arising from any breach by Landlord of the foregoing covenants in this Section; provided, however, Landlord shall have no liability for any claims, damages, losses or liabilities (including reasonable attorney's fees) incurred by Tenant relating to Hazardous Materials resulting from a breach by Tenant of the foregoing covenants in this Section.

Landlord shall in no event be responsible for any claims, damages, losses or liabilities (including reasonable attorney's fees) suffered by third parties by reason of a breach by Tenant of the foregoing covenants in this Section.

26. **NOTICES.** All notices, consents, approvals, denials or other communications required under this Lease shall be in writing and shall be deemed duly given if delivered in person or sent by Federal Express or other overnight delivery service or by certified mail, return receipt requested, which furnishes a receipt upon delivery to:

Landlord's Address for Notice: AHC LIMITED PARTNERSHIP-10
 c/o AHC Management LLC

2230 North Fairfax Drive
Arlington, Virginia 22201
Attn: President

Tenant's Address for Notice: Arlington County Manager
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201

with a copy to: Real Estate Bureau Chief
DES-Engineering & Capital Projects Division
Arlington County Government
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201

and a copy to: Director
Department of Human Services
3033 Wilson Boulevard, Suite 700
Arlington, Virginia 22201

The party to receive notices and the place notices are to be sent for either Landlord or Tenant may be changed by notice given pursuant to the provisions of this Section. Notices on behalf of Tenant pursuant to this Lease shall be given by the County Manager, his designee, or the Real Estate Bureau Chief. Notices personally delivered or sent by overnight delivery service shall be deemed effective upon delivery; notices sent by certified mail shall be deemed effective upon the earlier of (a) the date of receipt or rejection by the addressee, or (b) three (3) days following the date of mailing (excluding Sundays and holidays on which mail is not delivered by the United States Postal Service). Notwithstanding the foregoing, any notice pertaining to a change of address of a party shall be deemed effective only upon receipt or rejection by the party to whom such notice is sent.

27. MISCELLANEOUS PROVISIONS.

A. NO RIGHTS IN THIRD PARTIES: The parties hereto mutually agree that no provision of this Lease shall create in the public, or in any person or entity other than those signing this Lease as parties hereto, rights as a third party beneficiary hereunder, or authorize any person or entity, not a party hereto, to maintain any action for personal injury, property damage, or breach of contract pursuant to the terms of this Lease or otherwise.

B. ENTIRE LEASE AND AMENDMENTS: This Lease, together with any and all Exhibits attached hereto and made a part hereof, contains and embodies the entire agreement of the parties hereto. No representations, inducements, or agreements, oral or otherwise, between the parties not contained and embodied in this Lease and Exhibits shall be of any force or effect. Unless otherwise specifically provided herein, this Lease and Exhibits attached hereto may not be amended, modified, changed or terminated in whole or in part in any manner other than by an agreement in writing approved by The County Board of Arlington County, Virginia, and duly signed by all properly authorized representatives of all parties to this Lease. Landlord shall obtain the written consent of its mortgagee to any

agreement that would amend, modify, change or terminate this Lease, but Landlord's failure to so obtain such consent shall not invalidate any such agreement as between Landlord and Tenant.

- C. APPLICABLE LAW:** This Lease shall be governed by and construed under the laws of the Commonwealth of Virginia. Any action brought to enforce or interpret this Lease shall be brought in the Circuit Court of Arlington County, Virginia, which shall be the proper forum, for any dispute arising hereunder, and in no other court.
- D. LANDLORD'S AUTHORITY:** Landlord and each individual executing this Lease on behalf of Landlord hereby represents and covenants that he is duly authorized to execute and deliver this Lease and that Landlord is, a duly organized limited partnership, or other legal entity, under the laws of the Commonwealth of Virginia, is qualified to do business in the Commonwealth of Virginia, is in good standing under the laws of the Commonwealth of Virginia, and has the power and authority to enter into this Lease, and that all necessary and required actions requisite to authorize Landlord to enter into this Lease have been duly taken.
- E. APPROPRIATION OF FUNDS:**
- (i) Notwithstanding any other term or condition of this Lease, all of Tenant's obligations under this Lease are subject to appropriation of funds by The County Board of Arlington County, Virginia, for the specific purpose of satisfying the payment and performance of such obligations. In the event that funds are not appropriated at the beginning of any Tenant's fiscal year for the specific purpose of satisfying the obligations of the Tenant under this Lease, then this Lease shall become null and void and shall terminate on the last day of the Tenant's fiscal year for which appropriations were received for such purpose, without any termination fee or other liability whatsoever to the Tenant. If funds for the Tenant's obligations under this Lease are not appropriated, then the Tenant shall vacate the Demised Premises prior to the beginning of the Tenant's next fiscal year.
 - (ii) It is agreed by both Landlord and Tenant that, notwithstanding any provision in this Lease to the contrary, this clause shall supersede any and all obligations imposed by any other provision of this Lease or the Exhibits or any Addenda hereto. No subsequent Amendment of, or Addendum to, this Lease shall compromise the full legal implication of this Section between the parties hereto or their respective successors or assigns.
- F. APPROVAL OF LEASE BY TENANT:** This Lease shall not become effective unless and until The County Board of Arlington County, Virginia, approves this Lease. Such approval by The County Board of Arlington County, Virginia, shall be evidenced by the execution of this Lease by such person designated by The County Board of Arlington County, Virginia.
- G. NO INDEMNIFICATION OR HOLD HARMLESS:** Tenant shall have no obligation to explicitly or implicitly indemnify or hold harmless the Landlord or any third (3rd) party or parties from any liability whatsoever.
- H. NO WAIVER OF SOVEREIGN IMMUNITY BY TENANT:** Notwithstanding any other provision of this Lease to the contrary, nothing in this Lease nor any

action taken by Tenant pursuant to this Lease nor any document which arises out of this Lease shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of Tenant, or of its elected and appointed officials, officers and employees.

- I. MEMORANDUM OF THE LEASE:** At Tenant's request, Landlord will execute a memorandum of the Lease in recordable form setting forth such provisions hereof as Tenant deems desirable.
- J. BINDING EFFECT.** This Lease binds and inures to the benefit of each party hereto and their respective heirs, executors, legal representatives, successors and assigns, whether by voluntary action of the parties or by operation of law.
- K. UNENFORCEABILITY.** Any provision of this Lease which is determined by a government body or court of competent jurisdiction to be invalid, unenforceable or illegal shall be ineffective only to the extent of such holding and shall not affect the validity, enforceability or legality of any other provision, nor shall such determination apply in any circumstance or to any party not controlled by such determination.
- L. CONSTRUCTION OF CERTAIN TERMS.** Defined terms used in this Lease may be used interchangeably in singular or plural form, and pronouns cover all genders. Unless otherwise provided herein, all day from performance shall be calendar days, and a "business day" is any day other than Saturday, Sunday and days on which Lender is closed for legal holidays, by government order or weather emergency.
- M. COUNTERPARTS.** This Lease may be executed in any number of counterparts, each of which shall be deemed an original and all of which together constitute a fully executed Lease even though all signatures do not appear on the same document. The failure of any party hereto to execute this Lease, or any counterpart hereof, shall not relieve the other signatories from their respective obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed the Lease effective the date first above stated.

LANDLORD:

AHC LIMITED PARTNERSHIP-10

By: AHC Inc., its General Partner

By: New Gates Corporation, its General Partner

Walter D. Webdale, President

TENANT:

**THE COUNTY BOARD OF ARLINGTON COUNTY,
VIRGINIA**

By:

Uri Arkin, Real Estate Bureau Chief

Approved as to form:

County Attorney

LIST OF EXHIBITS

| | |
|--------------------|---|
| Exhibit A | Floor Plans for the Demised Premises |
| Exhibit A-1 | Cleaning Specifications |
| Exhibit B | Tenant's Personal Property |
| Exhibit C | List of Acceptable Operating Costs |
| Exhibit D | Rules and Regulations |
| Exhibit D-1 | Gates of Ballston Community Center Use and Operation Policies and Procedures |
| Exhibit E | Acceptable Example of an SNDA |
| Exhibit F | Form of Memorandum of Lease |

Attachment 1–A Property Description
Attachment 1–B Vicinity Map

Exhibit A Floor Plans for the Demised Premises

First Floor

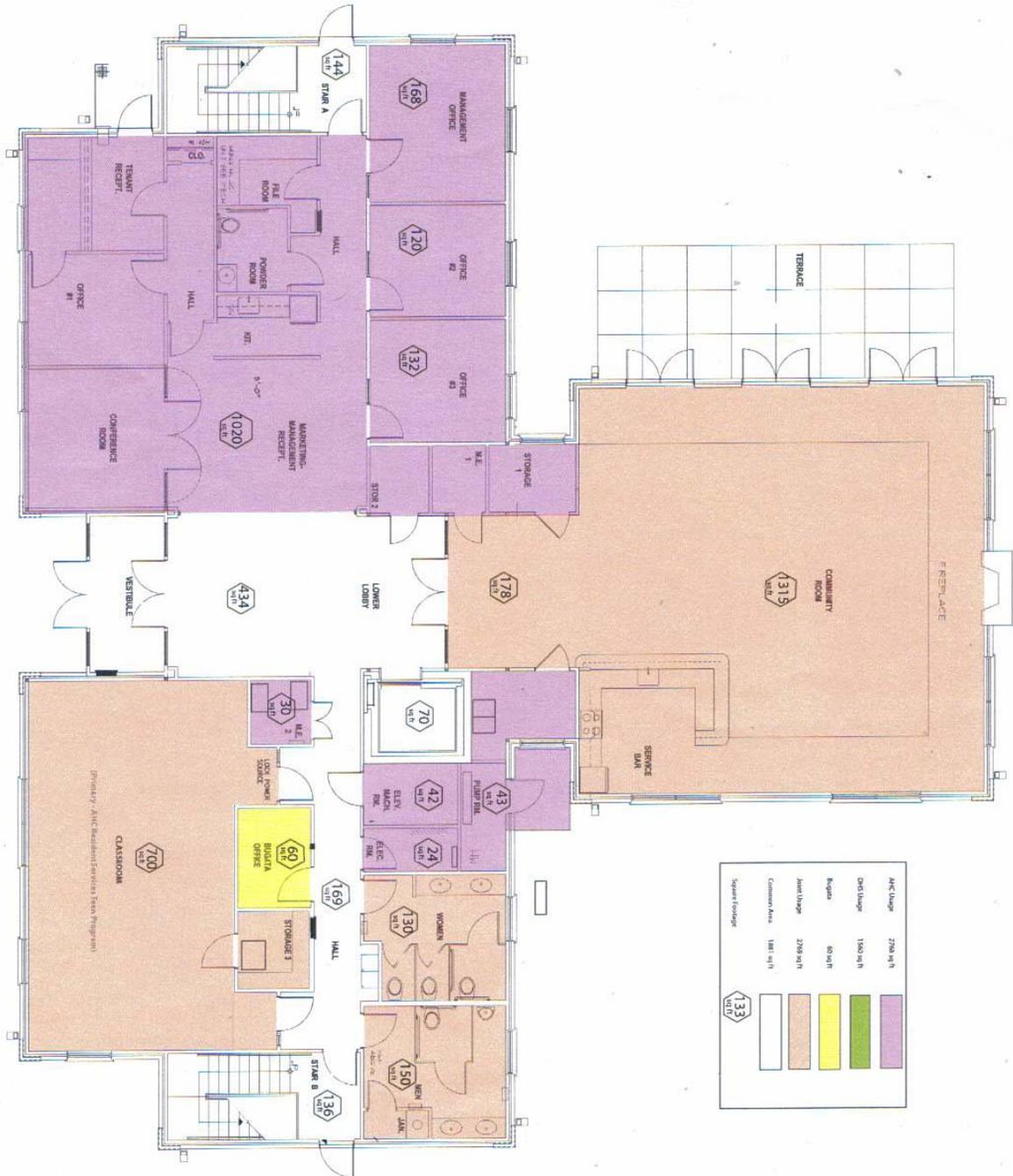


Exhibit A Floor Plans for the Demised Premises

Second Floor

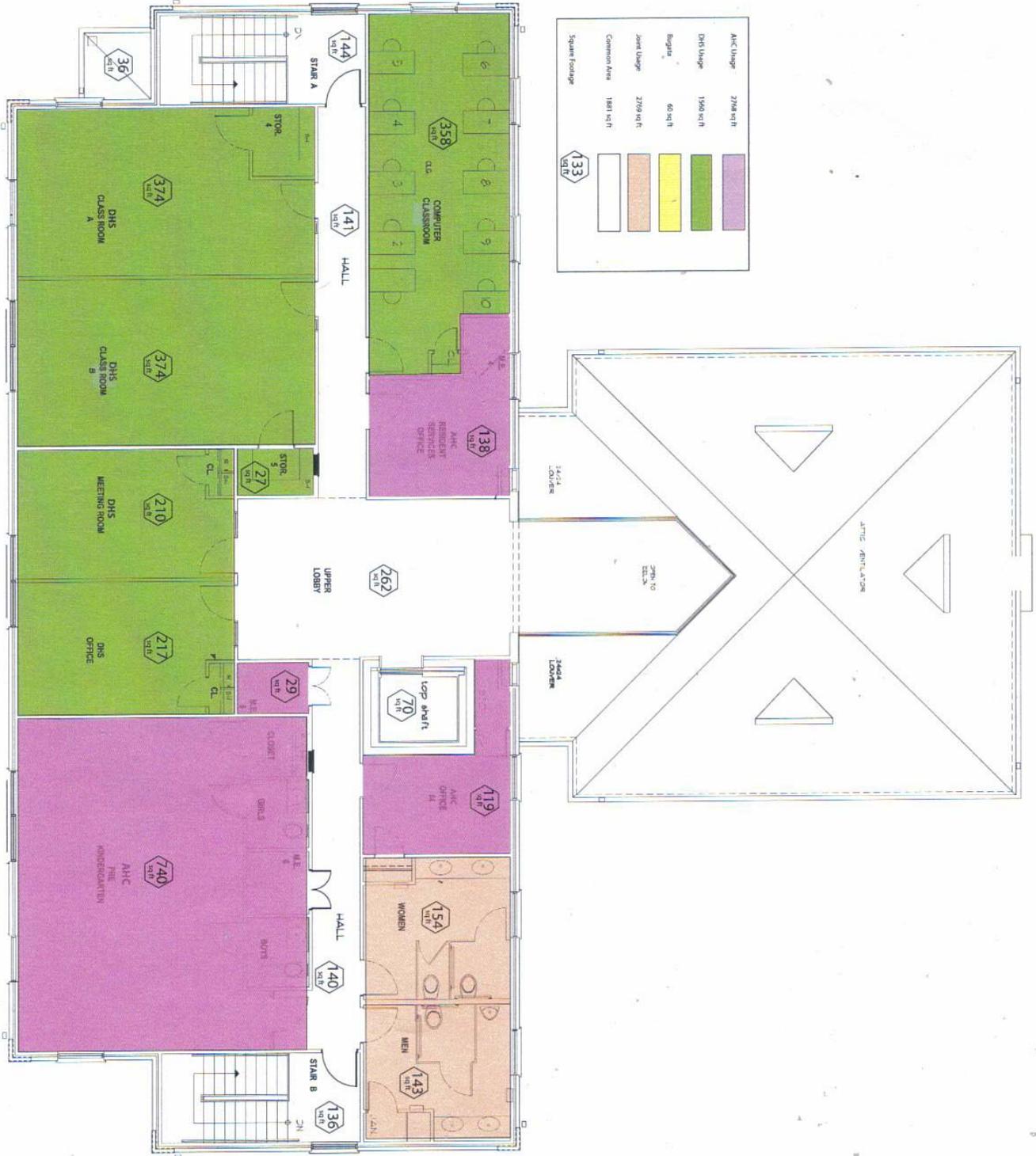


Exhibit A-1

Cleaning Specifications For DHS Occupied Areas

AREA, SERVICE AND FREQUENCIES

A. Lobbies and Public Areas

Daily:

1. Clean bright metal fixtures, rails and/or surfaces with a damp cloth.
2. Clean and mop any spills as they occur while staff is on duty.
3. Tile floors will be swept, damp mopped and burnished.
4. Spot clean walls.
5. Wash all entrance doors, glass doors and glass walls.
6. Trash receptacles emptied, wiped clean inside and outside, trash removed to dumpster. New clear trash receptacle liners to be installed.

Periodic:

1. Walls, high ledges, sills, rails, metal trim, molding, and ceiling vent dusted weekly and washed quarterly.
2. Mini-blinds to be dusted monthly and washed quarterly.
3. Tile floors stripped and refinished semi-annually.
4. Dust and wash the light fixtures monthly.
5. All surfaces 96 inches in height (high dusting) from floor will be dusted, using commonly practiced methods within the cleaning service industry, weekly.

B. Offices and Work Areas:

Daily:

1. All trash receptacles emptied, wiped clean, trash removed to trash room. New trash receptacle clear liners to be installed.
2. Clean doors and kick plates, both sides.
3. Spot clean walls and partition glass.

Periodic:

1. Door frames, window frames, diffusers, and return vents dusted weekly.
2. Glass partitions, corridor walls, transom glass, interior partitions, including interior movable office partitions and molding are to be washed monthly.
3. Walls, high ledges, sills, rails, metal trim, molding, and ceiling vents dusted weekly and washed monthly.
4. Mini-blinds to be dusted monthly and washed quarterly.
5. Wooden desks, tables and consoles are to be cleaned and polished weekly.
6. Tile floors are dust mopped, damp mopped and buffed three (3) times per week.
7. Tile floors stripped and refinished semi-annually.
8. All furniture surfaces, picture frames, office equipment, window sills, door panels, radiators, and any other surfaces up to and including 96 inches in height (high dusting) from floor will be dusted, using commonly practiced methods within the cleaning service industry, weekly.

C. Restrooms:

Daily:

1. Trash receptacles are to be emptied and trash removed.
2. Wash all trash receptacles, including sanitary napkin disposal receptacles, with a germicidal disinfectant.
3. Wash basins and vanity areas will be washed, using a germicidal disinfectant. This will include the underside of basins and pipe fixtures.
4. Mirrors will be washed.
5. Damp mop tile floors using a disinfectant soap. Floors under and around commodes, vanities and all corners are to be cleaned.
6. Replenish hand soap, paper towels, toilet seat covers, and tissue which are furnished by the Contractor.

7. Clean and wipe all commodes and urinals with a disinfectant soap inside and outside. Spot clean walls, wipe all partitions, ledges, sills, rails, vents, doors (both sides) with damp cloth.
8. Clean all shower areas, walls wiped down, floors mopped with disinfectant soap.

Periodic:

1. Wash walls with a disinfectant soap, including partitions, weekly.
2. Wash floor drains weekly.
3. Tile floors:
 - a) Tile floors will be buffed twice per week.
 - b) Tile floors machine scrubbed monthly with ceramic disinfectant and grout cleaners.
(NOTE: Wash outside of commodes and urinals as well as all fixtures with a disinfectant soap after the tile floors are machine scrubbed.)
4. Scrub area under all commodes and bottom of walls with a deck brush once weekly.
5. Wash ceiling, light fixtures and wall vents monthly.

**Exhibit B
Tenant's Personal Property**

Gates of Ballston DHS
Job Number 13043

2/26/2008

Inventory

SECOND FLOOR

Upper Lobby:

2 - Table Desks

2 - Task Chairs

Artwork

DHS Office:

2 - Desk>Returns with Hutches

2 - 4-Drawer Lateral File Cabinets

1 - Printer/Fax Table

2 - Task Chairs

2 - Guest Chairs

Meeting Room:

2 - Tables

4 - 5 - Shelf Bookcases

6 - Side Chairs

Classroom A:

3 - 30 x 72 Folding Tables

20 - Folding Chairs

Classroom B:

4 - 30 x 72 Folding Tables

20 - Folding Chairs

Computer Classroom:

10 - 24 x 48 Computer Desks

10 - Task Chairs

Exhibit C
List of Acceptable Operating Costs for the Building

(Form for Operating Cost Comparison Report)

| | <u>Expenses</u> | |
|---|-----------------|---------------|
| | Base Year | Calendar Year |
| Administrative | \$ _____ | \$ _____ |
| Accounting & Audit | \$ _____ | \$ _____ |
| Total Administrative | \$ _____ | \$ _____ |
| | | |
| <u>Utilities</u> | | |
| Electricity –Common Area and HVAC Systems | \$ _____ | \$ _____ |
| Gas-Fire Place & Hot Water System | \$ _____ | \$ _____ |
| Telephones | \$ _____ | \$ _____ |
| Water & Sewer | \$ _____ | \$ _____ |
| Total Utilities | \$ _____ | \$ _____ |
| | | |
| <u>Repairs & Maintenance Contracts</u> | | |
| Access Control (Annual contract for preventive maintenance service agreement) | \$ _____ | \$ _____ |
| Custodial (Landlord's Contractor: Landeros) | \$ _____ | \$ _____ |
| Elevator | \$ _____ | \$ _____ |
| Exterminating (Eagle Pest Control) | \$ _____ | \$ _____ |
| Fire Alarm Maintenance | \$ _____ | \$ _____ |
| Fire Protection | \$ _____ | \$ _____ |
| Monitoring Services (ESSI) | \$ _____ | \$ _____ |
| Sprinkler & Fire Control Maintenance | \$ _____ | \$ _____ |
| Total Repairs & Maintenance | \$ _____ | \$ _____ |
| | | |
| <u>Contracts, Repairs & Maintenance Labor & Supplies</u> | | |
| Access Control Repairs | \$ _____ | \$ _____ |
| Carpet Cleaning | \$ _____ | \$ _____ |
| Carpet Repairs | \$ _____ | \$ _____ |
| Custodial Supplies | \$ _____ | \$ _____ |
| Electrical Repairs | \$ _____ | \$ _____ |
| Elevator – Repairs | \$ _____ | \$ _____ |
| General Repair Supplies | \$ _____ | \$ _____ |
| HVAC Repairs | \$ _____ | \$ _____ |
| Window & Glass | \$ _____ | \$ _____ |
| Total Repairs & Maintenance Labor & Supplies | \$ _____ | \$ _____ |
| | | |
| Amortized portion of capital expenditures | \$ _____ | \$ _____ |
| Insurance | \$ _____ | \$ _____ |
| Real Estate Taxes | \$ _____ | \$ _____ |
| | | |
| Total Operating Expenses | \$ _____ | \$ _____ |

Exhibit D

Rules and Regulations

Tenant covenants that the following rules and regulations, and such other and further rules and regulations, which in the Landlord's judgment are needed for the general well being, safety, care and cleanliness of the Demised Premises and the Building. No material changes can be made to the rules and regulations. Tenant, and its agents, servants, employees and guests, shall observe the following rules and regulations, unless waived in writing by the Landlord.

- A. The sidewalks, entries, passages, elevators, public corridors and staircases and other parts of the Building which are not occupied as Exclusive Space by the Tenant will not be obstructed or used for any other purpose than ingress or egress.
- B. The Tenant will not install or permit the installation of any awnings, shades, and the like, other than those approved by the Landlord in writing.
- C. No additional locks will be placed upon any doors of the Demised Premises; and the doors leading to the corridors or main halls will be kept closed during business hours except as they may be used for ingress and egress.
- D. The Tenant will not construct, maintain, use or operate within the Demised Premises or elsewhere in the Building, any equipment or machinery which produces music, sound or noise which is audible beyond the Exclusive Space.
- E. Electric and telephone/data distribution boxes must remain accessible at all times.

Exhibit D-1

GATES OF BALLSTON COMMUNITY CENTER

USE AND OPERATION POLICIES AND PROCEDURES

PURPOSE: To provide policies and guidelines related to reserved use of the Gates of Ballston Community Center (GOBCC).

GENERAL

- A. Portions of the premises known as the GOBCC are available for use by residents of the Gates of Ballston, County Agencies, public schools, and private organizations, groups and individuals, providing that certain criteria are met and specified conditions are observed.
- B. The GOBCC is not available for use after 10:00 pm Monday through Thursday, after 12:00 (midnight) Friday and Saturday and all day Sunday unless permitted by special arrangement.

POLICIES

The Gates of Ballston retains authority to approve the operating hours and the fee schedule for the GOBCC and delegates operating authority to AHC Management LLC and its designee(s). AHC Management, or its designee(s), is empowered to develop and administer such procedures and policies as are necessary to insure safe and efficient operation of the GOBCC, and its designee is authorized to conclude rental agreements for certain areas pertaining to temporary use of portions of this facility.

Portions of the GOBCC can be rented to a Responsible Party who shall be an individual or an authorized representative of a private group or organization with elected or appointed officers and who has authority to enter a rental agreement. Such individuals, government entities, corporations, associations, firms or similar entities eligible to rent the GOBCC are hereinafter referred to as the "Group(s)."

Use of portions of the GOBCC by Groups is contingent upon observance of established regulations and conditions. A copy of the appropriate appendices will be provided along with the application and rental forms to those wishing to use the site.

PRIORITIES FOR USE OF THE GOBCC

Programs or activities for the residents of the Gates of Ballston will have first priority for use of The Community Room or 1st Floor Meeting Room.

Organizations conducting activities which are sponsored by AHC Inc., and AHC Management LLC and its Resident Services, and Arlington County Agencies (in that order) will have priority before individual groups. All other eligible users may apply to reserve designated areas in the GOBCC on a first come, first served basis.

- A. **Once a rental agreement has been executed, a group may not be pre-empted by a higher priority request without the written consent of the rental group, except in the case of AHC Inc. or AHC Management, or an Arlington County Agency requiring the facility for a special purpose.**

I. APPLICATION CONSIDERATIONS

- A. AHC Management or its designee(s) will administer and schedule all applications received. The Gates of Ballston Management Office will be the point of contact for processing all applications.
- B. Management, in consultation with Resident Services, reserves the right to limit the use of either room for social functions.
- C. Users apply to reserve The Community Room or 1st Floor Meeting Room on a first come, first served basis.
- D. Applications to use those rooms in the GOBCC shall be submitted to the Gates of Ballston management office and provide the following information:
 - i. The name and title (if applicable), address and contact information of the person completing the application, "The Responsible Party".
 - ii. The name and address of the group for whom the application is submitted.
 - iii. The day(s) and hours of desired use.
 - iv. An estimate of the anticipated number in attendance.
 - v. Any other information deemed reasonably necessary in order to make a fair determination as to whether or not the application should be approved.
- E. Applications must be submitted to the Gates of Ballston Management office no later than seven (7) days prior to the desired date of use. The Certificate of Insurance, if required, must be submitted with the application.
- F. Applicants must obtain all appropriate permits and licenses which may be required by Arlington County, or other governing agencies.
- G. The user will be bound by all applicable ordinances.
- H. Management will prescribe such insurance requirements as it deems necessary and appropriate.
- I. The Gates of Ballston may require the user to provide such materials, equipment, supplies or facilities which Management considers essential to the health, safety and welfare of all persons in attendance at a function.

II. FEES AND DEPOSITS

- A. Activities sponsored AHC, Inc., AHC Management, Gates of Ballston Management and Arlington County DHS Gates program activities are exempt from rental and all other fees. However, they may be required to pay Damage & Cleaning Deposits. Recognized Buckingham Community Organizations will be granted a 50% reduction in User Fees and will be required to pay Damage & Cleaning Deposits.
- B. Payments for the required rental fee and/or the damage deposit must be submitted by check or money order with the application. Fees are as follows:

| Gates of Ballston Residents, Buckingham Community Organizations | Community Room | 1st Floor Meeting Room | |
|--|-----------------------|--|---|
| Damage & Cleaning Deposit | \$250.00 | \$125.00 | (Refundable, pending cleaning and damage charges- see attachment) |
| Use Fee - First Three hours | \$100.00 | \$67.50 | |
| Each additional hour | \$ 37.50 | \$25.00 | |
| Management Aide | \$ 40.00 | \$ 40.00 | per hour (required for all functions after 6pm) |

| Other Community Organizations | Community Room | 1st Floor Meeting Room | |
|--------------------------------------|-----------------------|--|--|
| Damage & Cleaning Deposit | \$400.00 | \$200.00 | (refundable pending cleaning and damage charges- see attachment) |
| First three- hours | \$200.00 | \$125.00 | |
| Each additional hour | \$ 75.00 | \$ 50.00 | |
| Management Aide | \$ 40.00 | \$ 40.00 | per hour (required for all functions after 6pm) |

C. Violations of any portions of this policy or application misrepresentations may result in cancellation/ termination of this rental and forfeiture of any of all payments and fees.

Gates of Ballston Community Center

GENERAL RULES AND REQUIREMENTS

PURPOSE: To provide regulations and information for the use of GOBCC by individuals and groups entering into a Rental Agreement with Gates of Ballston.

GENERAL: Individuals and Groups using the GOBCC shall abide by all conditions, rules, and requirements stated herein.

1. Reservations. A reservation form must be completed by a Responsible Party and all payments made at the time of application. Cash cannot be accepted. Checks or money orders are acceptable forms of payment
2. Presence Required. The Responsible Party for event must be present at time of the reservation, for the duration of the event, and be responsible for the conduct of all persons on the premises.
3. Cancellation Policy. In the event of cancellation or postponement you required to notify the Gates of Ballston management office, in writing, no later than 24-hours prior to reservation date in order to receive a full refund. Failure to provide such written notice to the management office of your cancellation or postponement will result in the forfeiture of your entire fee.
4. Permissible Hours. All functions must end by 10:00pm Monday through Thursday and by 12:00am (midnight) Friday and Saturday unless prior arrangements have been made with and agreed to by the management office. Sunday hours are available by special arrangement. It is understood and agreed that the reservation times include set-up and clean up time.
5. Smoking Policy. GOBCC is a non-smoking building and therefore no smoking is allowed in the building or on the Community Room patio or at any of its building entrances. Persons wishing to smoke must do so outside of the building, at least 25 feet away from the entrances and dispose of smoking materials in proper receptacles.
6. Alcohol Policy. Alcohol, in any form, may not be dispensed or sold at any GOBCC function or event.
7. Condition of Premises. The premises must be left in the condition at the time of rental and the Responsible Party shall assure the removal any and all materials, trash, or other debris brought into or created during the use of the premises. Failure to do will result in forfeiture of some or all of cleaning and damage deposit.
8. Admission. Advance approval must be obtained to charge admission to an activity or program or for vending food or beverages at the site, and all such activities shall be open to all persons regardless of race, sex, religion, color, national origin, or handicap. Alcoholic beverages may not be served or sold for a fee under any circumstances.
9. Vehicle Parking and Use. No vehicle shall be driven or parked on any portion of the grounds other than designated roadways and parking areas. Very limited visitor parking is available. Arrangements must be made with the Management office if parking is desired.

10. Trash Disposal. The user must make adequate provision for the disposal of all trash and garbage generated as a result of the activity. The nature of such provision shall be coordinated with the Gates of Ballston during the application review.

The necessary action to be taken by the user may range from the user providing plastic garbage bags and disposing in nearby compactors to the user contracting for dumpster service.

11. Insurance. Certain activities may require that the applicant obtain and submit such Certificate of Insurance and special events riders as deemed appropriate by the Gates of Ballston. The applicant shall promptly furnish such policy or policies for property damage or bodily injury showing out of any one accident or other cause in a sum of not less than \$1,000,000 combined single limit or in an amount specified by the Gates of Ballston to protect the community center against damages.
12. Damage Liability. It is the responsibility of a Responsible Party to inspect for and to report findings of damaged property or facilities before the rental period begins in order to avoid liability for correction of damages discovered by GOBCC staff during an inspection at the conclusion of the rental period.
13. Approval of Intended Use. AHC Management and the Gates of Ballston retain the right to allow or to disallow use of the GOBCC based on the specifics of the intended use. Violation of the intended use can result in the immediate termination of the rental and the vacation of the premises.
14. Permits, Licenses, Taxes, and Ordinances. Applicant groups must obtain all appropriate permits and licenses which may be required by the County of Arlington, VA, or other governing agencies.

The Gate of Ballston Community Center

RESERVATION REQUEST

Organization _____ Date _____

Responsible Party _____

Address _____

City _____ State _____ Zip _____ Phone _____

Fax _____ E-mail _____

AHC or Related Entity
 Gates of Ballston Resident
 Buckingham Organization
 Arlington County Organization

| Yes |
|-----|
| |
| |
| |
| |
| |
| |
| |

| No |
|----|
| |
| |
| |
| |
| |
| |
| |

Name (If different than above) _____

Responsible Party's relationship to organization _____

Address _____ Work Phone _____

City _____ State _____ Zip _____ Home Phone _____

Email _____

Requested Use:

Date(s) _____

Event Starting Time _____ Event Ending Time _____

Expected Number in Attendance _____

(If activity is for more than one day, state number expected by day.)

Day 1 _____ Day 2 _____ Day 3 _____

| | | | | |
|------------------|--|--------------------|--|--------------------|
| Who will attend? | | Family & guests | | Members & guests |
| | | Employees & guests | | Open to the public |

Name of Event

Event Description (use the back of this page and/or attach additional sheet if needed)

| If any question is answered "yes", contact: Management Office at 703/875-8600 | Yes | No |
|--|--------------------------|--------------------------|
| Will an admission fee be charged? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will solicitations or donations be collected or made? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will a vendor or caterer be used? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will food or beverages be sold or served? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will goods or services be sold? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will amplified music be played? | <input type="checkbox"/> | <input type="checkbox"/> |
| Will other "special event" activities be planned? List: _____ _____ _____ | | |

1. Rental fee shall be paid by check or money order, in advance, with this application.
2. All planned activities must be listed on this form.
3. GOBCC property shall not be removed from the premises.
4. All trash will be disposed of properly.
5. The Responsible Party accepts responsibility for any damages which might occur during the period of use.
6. Premises will be left in as good a condition as when it was received.
7. If proof of insurance is required, the organization/group shall at its own cost and expense furnish a policy or policies for property damage or bodily injury showing out of any one accident or other cause in a sum of not less than \$1,000,000 combined single limit or in the amount specified by the Management Office. Also, The Gates of Ballston, AHC Management LLC, AHC LP-10 and AHC Inc. shall be named as an additional insured.
8. It is the applicant's responsibility to obtain the required Certificate of Insurance when it is required from a third party.
9. Any special or unique circumstances and or risks for the event(s) planned may require the endorsement of a special events rider to the insurance policy.
10. Certificate(s) from the insurance carrier or carriers showing the above insurances to be in force must be submitted and approved by the Management Office prior to the event.
11. The use of the GOBCC shall comply with all laws, rules, and regulations of the federal, state, and city governments governing operations and conduct.

12. The premises will be available to Buckingham Community citizens, in the priorities previously described, without discrimination, provided the applicant complies with the standards set forth in the Arlington County Code and appropriate provision of the Commonwealth of Virginia statues for such use.
13. This agreement may be terminated by GOBCC at any time upon a finding of a violation of any rule, ordinance, falsification of application, condition of the permit or upon good cause shown.
14. Use of alcohol on the premises by the organization or its guests will result in the immediate cancellation & termination of function or event. All fees and deposits will be forfeited.
15. Minor decorations may be made to the premises, but upon surrender or termination the premises shall be restored to its previous condition. All such decorations must be approved in advance by the Gates of Ballston management office. Cellophane tape may not be used to adhere anything to the walls or wood trim on the property.
16. By acceptance of this agreement, the organization/applicant and its participants agree to see that all necessary safety precautions are followed and, except as to Arlington County and The County Board of Arlington County, Virginia, will indemnify the GOBCC, The Gates of Ballston, AHC Management LLC, AHC LP-10 and AHC Inc., their employees and agents, and save them harmless from and against any and all claims, damages, liability, costs and expenses in connection with loss of life, personal injury, and/or damage to property arising from or out of any occurrence arising from the exercise of the privileges granted in this agreement.
17. This agreement is not binding until approved and signed by the Resident Manager, Gates of Ballston.

I have received a copy of the GOBCC policy of the General Rules

Signature: _____
Responsible Party

Date: _____

Total Due \$ _____

Fees quoted by _____

Rental booked by: _____

Return this application by:

Will insurance be required by applicant?

How Much?

Will insurance be required by a third party?

How Much?

Comments: _____

Signature

Date

Gates of Ballston Management Representative Date

Exhibit E
Acceptable example of an SNDA
SAMPLE FORM OF SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT
SUBORDINATION, NON-DISTURBANCE AND ATTORNMEN AGREEMENT

THIS AGREEMENT is made and entered into as of the date set forth below by and between THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body politic (“Tenant”) and AHC LIMITED PARTNERSHIP 10, a Virginia limited partnership (“Landlord”); and _____ (“Lender”), as follows:

RECITALS

LENDER is now the holder of a Mortgage or Deed of Trust, which secures or will secure a Note in the original principal amount of \$_____. The Mortgage or Deed of Trust and any other security instruments, executed by the Landlord in favor of Lender, encumber the real property, together with the buildings and improvements on that property, described as “Exhibit A”, which is attached to this document; and

TENANT is the tenant under that certain Deed of Lease (“Lease”) dated _____, 2009, from Landlord (referred to as “the Lease”) covering certain premises more particularly described in the Lease (referred to later as the “Demised Premises”); and

TENANT, LANDLORD AND LENDER desire to confirm their understanding with respect to the Lease and the Mortgage or Deed of Trust;

ACCORDINGLY, in consideration of the mutual covenants and agreements contained in this instrument, Tenant, Landlord and Lender agree and covenant as follows:

1. Now and at all times in the future, the Lease and the rights of the Tenant shall be subject and subordinate to the above Mortgage or Deed of Trust, and to all renewals, modifications or extensions of that Mortgage. However, such renewals, modifications and extensions shall be subject and entitled to the benefits of the terms of this Agreement.

2. So long as Tenant is not in default in the payment of rent or in Tenant’s performance of any of the material terms, material covenants or material conditions of the Lease (beyond any period given Tenant to cure such default):

- a) Lender shall not diminish nor interfere with Tenant’s possession of the Demised Premises, or Tenant’s rights and privileges under the Lease or lease renewals, expansions, modifications or extensions that may be effected in accordance with any options under the Lease.
- b) Tenant’s occupancy and use of the Demised Premises shall not be disturbed, affected or impaired by Lender during the term of the Lease or any such renewals, expansions, modifications or extensions of the Lease.
- c) Tenant, or any leasehold mortgagee of Tenant (“Tenant’s Mortgagee”) shall not be named or joined in any action or proceeding brought by lender to enforce any of its rights

in the event of default under the Note, Mortgage (or Deed of Trust), unless such joinder be required by law for effecting those remedies available under the security instruments. Such joinder would ONLY be for the purposes of effecting those remedies, but not for the purpose of terminating the Lease or affecting Tenant's rights and privileges under the Lease.

- d) If the interests of Landlord shall be transferred to and owned by Lender by reason of foreclosure or other proceedings or by any other manner, and Lender succeeds to the interests of the Landlord under the Lease, Tenant shall be bound to Lender under all of the terms, covenants and conditions of the Lease for the balance of the term remaining and for any extensions or renewals which may be effected in accordance with any option granted in the Lease, with the same force and effect as if Lender were the Landlord under the Lease. Tenant agrees to attorn to Lender as its Landlord, such attornment to be effective and self-operative without the execution of any further instruments on the part of any of the parties to this Agreement immediately upon Lender succeeding to the interest of the Landlord under the Lease. The respective rights and obligations of Tenant and Lender upon such attornment, to the extent of the then remaining balance of the term of the Lease and any such extensions and renewals, shall be and are the same as now set forth. The parties' intent is to incorporate the Lease in this Agreement by reference with the same force and effect as if set forth at length in this Agreement.

3. During the period of Lender's ownership of Landlord's interest in the Lease, Tenant and Tenant's Mortgagee shall have the same remedies against Lender for the breach of an agreement contained in the Lease that Tenant and Tenant's Mortgagee would have had against the Landlord if Lender had not succeeded to Landlord's interest; provided, however, that even though provisions in the Lease may be to the contrary, Lender shall not be:

- a) liable for any act or omission of any prior landlord arising under the Lease (including the Landlord) or subject to any offsets which Tenant may have against any prior landlord arising under the Lease (including the Landlord) or,
- b) bound by any rents or additional rent which Tenant might have paid for more than the current month to any prior landlord (including the Landlord); or
- c) bound by any amendment or modification of the Lease made without its consent, which consent shall not be unreasonably withheld, conditioned or delayed; or,
- d) liable for any security deposited under the Lease unless such security has been physically delivered to Lender.

Provided, however, that the Lender shall not be relieved from responsibility for failure to perform any obligation under the Lease which, although such failure may have begun prior to Lender succeeding to Landlord's interest, thereafter continues. In such event, Lender's responsibility shall be determined as if the failure had first arisen upon the day Landlord's title to the Leased Premises succeeds to Lender.

4. Tenant shall promptly notify Lender of any material default, act or omission of Landlord which would give Tenant the right, immediately or after the lapse of a period of time, to cancel or terminate the Lease or to claim a partial or total eviction ("a Landlord Default"). In the event of a Landlord Default, the Tenant shall not exercise any

rights to terminate the Lease until it has given written notice of such Landlord Default to Lender; and Lender has failed within thirty (30) days after Lender receives such notice, to cure or remedy the Landlord Default. If the same can not be reasonably remedied within such thirty-day period, then Lender shall have a reasonable period for remedying such Landlord Default, so long as it is diligently pursuing the same to completion. However, in any event, Lender's time to cure such default shall not be less than the period of time the Landlord would be entitled to cure such default pursuant to the terms of the Lease. Lender shall have no obligation under this paragraph to remedy any Landlord Default.

5. The terms "holder of a mortgage" and "Lender" or any similar term in this document or in the Lease shall be deemed to include Lender and any of its successors or assigns, including anyone who shall have succeeded to Landlord's interests by, through or under foreclosure of the Mortgage or Deed of Trust, or by deed in lieu of such foreclosure or otherwise.

6. The Landlord has assigned or will assign to Lender all of Landlord's right, title and interest in the Lease by an Assignment of Rents and Leases ("Rent Assignment"). If in the future there is a default by the Landlord in the performance and observance of the terms of the Note or Mortgage or Deed of Trust, the Lender may, at its option under the Rent Assignment, require that all rents and all other payments due under the Lease be paid directly to Lender. Upon written notification to that effect by the Lender to the Landlord and the Tenant, the Landlord **HEREBY IRREVOCABLY AUTHORIZES AND DIRECTS** the Tenant and the Tenant agrees to pay any payments due under the terms of the Lease to the Lender. Such payments shall constitute payments under the terms of the Lease and Landlord shall have no claim against Tenant by reason of such payments made to Lender. Neither the Rent Assignment nor its implementation shall diminish any obligation of the Landlord under the Lease or impose any such obligations on the Lender.

7. Any notice, or request or other communication required by this Agreement to be given shall be in writing and shall be: (a) personally delivered; or, (b) sent via nationally recognized overnight courier; or, (c) transmitted by postage prepaid registered or certified mail, return receipt requested. All such notices, requests or other communications shall be addressed to Tenant, Landlord or Lender at the addresses set forth below or such other address as the parties shall in like manner designate. All such notices and requests shall be deemed to have been given on the first to occur of: (i) the actual date received, or (ii) the date of delivery if personally delivered; or (iii) five (5) days following posting if transmitted by mail.

If to Tenant: County Manager
2100 Clarendon Boulevard, Suite 302
Arlington, VA 22202

with a copy to: Real Estate Bureau Chief
DES-Engineering & Capital Projects Division
Arlington County Government
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201

If to Landlord: AHC LIMITED PARTNERSHIP 10
 c/o AHC Management LLC
 2300 North Fairfax Drive
 Arlington, Virginia 22201
 Attn: President

If to Lender: _____

 Attention: _____
 Fax: _____

8. This Agreement may NOT be modified except by a written agreement signed by the parties or their respective successors in interest. This Agreement shall inure to the benefit of and be binding upon the parties, their successors and assigns.

9. Notwithstanding anything to the contrary contained in the Lease or in this Agreement, in the event that Mortgagee shall acquire title to the Leased Premises, Mortgagee shall have no obligation, nor incur any liability, beyond Mortgagee's interest, if any, in the Leased Premises. Tenant shall look exclusively to such interest of Mortgagee, if any, in the Leased Premises for the payment and discharge of any obligations imposed upon Mortgagee under this Agreement or under the Lease and Mortgagee is hereby released or relieved of any other liability under those documents. Tenant agrees that with respect to any money judgment which may be obtained or secured by Tenant against Mortgagee, Tenant shall look solely to the estate or interest owned by Mortgagee in the Leased Premises and Tenant will not collect or attempt to collect any such judgment (i) from any officer, director, shareholder, partner, employee, agent or representative of Mortgagee or (ii) out of any assets of Mortgagee other than Mortgagee's estate or interest in the Leased Premises or the proceeds from the sale of the estate or interest.

IN RATIFICATION OF THIS AGREEMENT, the parties have placed their signatures and seals below, by and through their duly authorized officers on this ____ day of _____, 200__.

"LENDER"

By: _____
Name: _____
Title: _____

STATE OF _____)
) ss.
COUNTY OF _____)

On this _ day of _____, 200__, before me, a Notary Public in and for the State of _____, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged that he is the _____ of _____, to be the free and voluntary act and deed of said company for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

(seal)

(Print Name)

NOTARY PUBLIC in and for the State of _____.
My appointment expires _____

"TENANT"
THE COUNTY BOARD OF ARLINGTON COUNTY,
VIRGINIA

By: _____
Uri Arkin, Real Estate Bureau Chief

COMMONWEALTH OF VIRGINIA)
) ss.
COUNTY OF ARLINGTON)

On this _____ day of _____, 200__, before me, a Notary Public in and for the aforesaid jurisdiction, personally appeared _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person who executed this instrument, on oath stated that he/she was authorized to execute the instrument, and acknowledged that he/she is the _____ of _____, to be the free and voluntary act and deed of said _____ for the uses and purposes mentioned in the instrument.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal the day and year first above written.

(seal)

Print Name: _____

NOTARY PUBLIC in and for the Commonwealth of Virginia
My appointment expires _____

Exhibit F
Form of Memorandum of Lease

RECORDING REQUESTED BY:
AND WHEN RECORDED MAIL TO:
Real Estate Bureau Chief
DES-Engineering & Capital Projects Division
Arlington County Government
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201

Exempt from Recordation Tax
per Virginia Code § 58.1-811E.

MEMORANDUM OF LEASE

1. THIS MEMORANDUM OF LEASE (“Memorandum”) is dated as of _____, 2009, AHC LIMITED PARTNERSHIP 10, a Virginia limited partnership, as Grantor, hereinafter “Landlord”, and THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body politic, as Grantee, hereinafter “Tenant”.
2. Lease. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon the terms and subject to the conditions set forth in that certain Deed of Lease dated as of _____, 2009, (“Lease”), the premises more particularly described in the Lease and consisting of the following areas shown on Exhibit A - Floor Plans.
 - A. Exclusive Space: Tenant’s exclusive space consists of 1,560 square feet, more or less, of usable space, known as Office DHS Classroom A, DHS Classroom B, DHS Meeting Room, DHS office, DHS Storage Rooms, and the Computer Class Room located on the Second Floor of the Building (“Exclusive Space”). Tenant shall have exclusive use of the Exclusive Space twenty-four (24) hours per day, seven (7) days a week; and,
 - B. Shared Space: The space shared among the Landlord and Tenant consists of 2,769 square feet, more or less, of lobbies, hallways, elevators, restrooms and the Community Room in the Building (“Shared Space”). Tenant and its designated invitees shall have use of the Shared Space, as available, upon filling in a reservation for the Shared Space in the log provided by Landlord. No fees (other than the Rent to be paid by Tenant pursuant to Section 7 of this Lease) shall be charged, to the Tenant or its designated invitees, for the use of the Shared Space. Tenant is not required to pay any other additional fees for the use of the Shared Space, including the additional fees listed in the Landlord’s “Use and Operations Policy and Procedures”.
3. Term. The Term (as described in Section 6A of the Lease) is as follows:
 - A. Lease Commencement Date: The initial term of the Lease will be fifteen (15) years (“Initial Term”), commencing on the first day of the month after the Lease has been fully executed (“Lease Commencement Date”).
 - B. Expiration: The Lease shall expire at midnight on the date fifteen (15) years after the Lease Commencement Date. Upon the expiration of the Term, end of the Renewal Term, end of the month-to-month tenancy, or upon other termination of this Lease, as the case may be, Tenant shall quit and deliver the Demised Premises in good condition (taking into account the length of the Term and the

permitted use hereunder), ordinary wear and tear, and damage by the elements, fire, and other unavoidable casualty, excepted. If, however, Tenant retains possession of said Demised Premises after the end of any Term, with the permission of Landlord, then the Tenant shall, by virtue of such permission, be and become a Tenant of Landlord from month to month, upon the same terms and conditions as set forth in this Lease, except that the amount of Base Rent shall be increased by three percent (3%) per annum on the anniversary of Rent Commencement Date. The month-to-month tenancy thus created can be terminated by either party giving to the other party not less than a thirty (30) day prior written notice for the month-to-month lease to expire on the last day of any month.

C. Option to Extend. The Tenant shall have the option to extend the term hereof for five (5) additional periods of five (5) years each (each, an "Extension Period"), provided

(i) Tenant gives written notice to Landlord of Tenant's election to exercise such extension option no earlier than twelve (12) and no later than six (6) months prior to the expiration of the Initial Term or any Extension Period, as the case may be;

(ii) no event exists at the time of the exercise of such option, which event by notice and/or passage of time would constitute an event of default if not cured within the applicable cure period. All terms and conditions of the Lease shall remain in full force and effect during each Extension Period, including, without limitation, all provisions governing the payment of Base Rent, annual increases in Base Rent, and Additional Rent.

D. Tenant's Option to Terminate. Tenant shall have the absolute right and option, without liability, penalty or further obligation whatsoever, to terminate the Lease at any time during the Initial Term and Extension Period, at Tenant's sole and absolute discretion (the "Termination Right") effective as of the date that is specified by Tenant for the termination of the Lease (the "Termination Date") subject to the following terms and conditions:

(i) at the time of the exercise of the Termination Right and at all times thereafter through the Termination Date, Tenant is not in default under the Lease beyond any applicable notice and cure period; and

(ii) Tenant shall provide Landlord with a written notice of the exercise by Tenant of the Termination Right (the "Termination Notice") at least twelve (12) months prior to the Termination Date specified in the Termination Notice. Irrespective of when Tenant provides the Termination Notice, the termination of the Lease shall not be effective until the Termination Date.

If Tenant exercises the Termination Right as aforesaid, then the Lease shall terminate on the Termination Date in the same manner as if said date had been originally scheduled date for the expiration of the Term. Without limitation of any other right of Tenant under the Lease, Tenant shall have no obligation to

occupy or use all or any portion of the Demised Premises at any time after the issuance by Tenant of the Termination Notice.

4. Landlord's Address for Notice:
AHC LIMITED PARTNERSHIP 10
c/o AHC Management LLC
2230 North Fairfax Drive
Arlington, Virginia 22201
Attn: President

5. Tenant's Address for Notice:
Arlington County Manager
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201

With a copy to: Real Estate Bureau Chief
DES-Engineering & Capital Projects Division
Arlington County Government
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201

and a copy to: Director
Department of Human Services
3033 Wilson Boulevard, Suite 700
Arlington, Virginia 22201

5. Incorporation of Lease. This Memorandum is for informational purposes only and nothing contained herein shall be deemed to in any way modify or otherwise affect any of the provisions of the Lease. This Memorandum is subject to all of the provisions of the Lease and in the event of any inconsistency between the provisions of the Lease and this Memorandum, the provisions of the Lease shall prevail.

6. Counterparts. This Memorandum may be executed in any number of counterparts, each of which shall constitute an original and all of which shall constitute but one and the same document.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the date first set forth above.

TENANT:

**THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA**

By: _____
Uri Arkin, Real Estate Bureau Chief

WITNESS:

LANDLORD:
AHC LIMITED PARTNERSHIP 10
By: New Gates Corporation, its General Partner

_____ By: _____ (Seal)

Printed Name: _____
Title: _____

COMMONWEALTH OF VIRGINIA
COUNTY OF ARLINGTON

The foregoing instrument was acknowledged before me on this ____ day of _____, 2009, by _____, as _____ of Arlington County, Virginia, a body politic.

Notary Public

My commission expires the _____ day of _____.

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 2009, by _____ of _____, authorized agent of AHC LIMITED PARTNERSHIP 10, a Virginia limited partnership.

Notary Public

My commission expires the _____ day of _____.

Approved as to form:

County Attorney

Attachment 1-A – Property Description

4108 4th Street North, Arlington, VA 22204

RPC Number 20022004

RECORD LEGAL DESCRIPTION

TRACT 1:

BEGINNING AT A ROD SET IN THE SOUTHEASTERLY LINE OF NORTH HENDERSON ROAD (50 FEET WIDE), SAID NAIL, BEING THE P.T. OF A RETURN CURVE LEADING FROM THE NORTHEASTERLY LINE OF NORTH THOMAS STREET (40 FEET WIDE); THENCE RUNNING WITH THE SOUTHEASTERLY LINE OF NORTH HENDERSON ROAD N. 42 DEGREES 45 MINUTES 59 SECONDS E.-592.57 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 15.67 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH ARC BEARS N. 65 DEGREES 12 MINUTES 23 SECONDS E.-15.27 FEET TO A NAIL SET IN THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD, STATE ROUTE NUMBER 120; THENCE RUNNING WITH THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD, S. 47 DEGREES 29 MINUTES 39 SECONDS E.-260.11 FEET TO A NAIL; SET AT THE P.C. OF A CURVE TO THE RIGHT, THENCE CONTINUING 15.51 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH BEARS S.20 DEGREES 17 MINUTES 12 SECONDS W.-15.12 FEET TO THE P.T., A NAIL SET IN THE SOUTHEASTERLY LINE OF FOURTH STREET, NORTH; THENCE RUNNING WITH THE SOUTHEASTERLY LINE OF FOURTH STREET, NORTH S. 42 DEGREES 30 MINUTES 01 SECONDS W. 227.00 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE LEFT; THENCE CONTINUING 136.79 FEET ALONG THE ARC OF A CURVE TO THE LEFT WHICH CURVE HAS A RADIUS OF 252.19 FEET, THE CHORD OF WHICH BEARS S. 26 DEGREES 57 MINUTES 41 SECONDS W. 135.12 FEET TO A NAIL SET AT THE P.T.; THENCE CONTINUING WITH THE WESTERLY LINE OF FOURTH STREET, NORTH, S. 11 DEGREES 25 MINUTES 21 SECONDS W. 214.26 FEET TO A ROD SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 40.10 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH ARC BEARS S. 68 DEGREES 51 MINUTES 43 SECONDS W. -33.71 FEET TO THE P.T., A ROD SET IN THE NORTHEASTERLY LINE OF NORTH THOMAS STREET; THENCE RUNNING WITH THE NORTHEASTERLY LINE OF NORTH THOMAS STREET N. 53 DEGREES 41 MINUTES 55 SECONDS W.-386.41 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 33.67 FEET ALONG THE ARC OF A CURVE TO THE RIGHT; WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH ARC BEARS N. 5 DEGREES 27 MINUTES 58 SECONDS W.-29.83 FEET TO A ROD SET, THE POINT OF BEGINNING; CONTAINING 4.390 ACRES, MORE OR LESS.

ALL AS SHOWN ON A PLAT OF SURVEY ENTITLED "GATES OF BALLSTON APARTMENTS NORTH GLEBE ROAD, ARLINGTON, VIRGINIA" DRAWN BY LANDMARK-FLEET SURVEYORS, P.C., DATED MARCH 3, 2005, AS REVISED, REFERENCE TO WHICH IS MADE FOR A MORE PARTICULAR DESCRIPTION.

TRACT II:

BEGINNING AT A ROD SET IN THE NORTHEASTERLY LINE OF NORTH THOMAS STREET (40 FEET WIDE), SAID ROD BEING THE P.T. OF A RETURN CURVE LEADING FROM THE NORTHWESTERLY LINE OF NORTH PERSHING DRIVE (50 FEET WIDE), THENCE WITH THE NORTHEASTERLY LINE OF NORTH THOMAS STREET, N. 45 DEGREES 50 MINUTES 49 SECONDS W.-103.05 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE LEFT, THENCE CONTINUING 60.68 FEET ALONG THE ARC OF A CURVE TO THE LEFT, WHICH CURVE HAS A RADIUS OF 1767.54 FEET, THE CHORD OF WHICH ARC BEARS N. 46 DEGREES 49 MINUTES 50 SECONDS W.-60.68 FEET TO A NAIL SET AT THE P.T.; THENCE CONTINUING WITH THE NORTHWESTERLY LINE OF NORTH THOMAS STREET, N. 47 DEGREES 48 MINUTES 50 SECONDS W. 411.35 FEET TO A ROD SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 31.02 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 30.00 FEET, THE CHORD OF WHICH ARC BEARS N. 18 DEGREES 11 MINUTES 44 SECONDS W. 29.65 FEET TO A ROD SET AT THE P.T., A POINT IN THE EASTERLY LINE OF FOURTH STREET NORTH; THENCE RUNNING WITH THE EASTERLY LINE OF FOURTH STREET, NORTH, N.11 DEGREES 25 MINUTES 21 SECONDS W.-244.38 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 115.09 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 212.19 FEET, THE CHORD OF WHICH BEARS N. 26 DEGREES 57 MINUTES 41 SECONDS E. 113.69 FEET TO THE P.T.; THENCE CONTINUING WITH THE SOUTHEASTERLY LINE OF FOURTH STREET, NORTH, N. 42 DEGREES 30 MINUTES 01 SECONDS E.-227.00 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 15.51 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH ARC BEARS N. 64 DEGREES 42 MINUTES 49 SECONDS E.-15.12 FEET TO A NAIL SET IN THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD, STATE ROUTE NUMBER 120; THENCE RUNNING WITH THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD, S. 47 DEGREES 29 MINUTES 59 SECONDS E.-391.32 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 15.51 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 20.00 FEET. THE CHORD OF WHICH ARC BEARS S. 20 DEGREES 17 MINUTES 12 SECONDS W.-15.12 FEET TO THE P.T., A NAIL SET IN THE NORTHWESTERLY LINE OF THIRD ROAD, NORTH; THENCE RUNNING WITH THE NORTHWESTERLY LINE OF THIRD ROAD, NORTH S. 42 DEGREES 30 MINUTES 01 SECONDS W.-201.83 FEET TO A ROD SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING WITH THE LINE OF THIRD ROAD NORTH, 65.97 FEET ALONG THE ARC OF A CURVE TO THE RIGHT. WHICH CURVE HAS A RADIUS OF 42.00 FEET, THE CHORD OF WHICH ARC BEARS, S. 87 DEGREES 30 MINUTES 01 SECONDS W.-59.40 FEET TO THE P.T.; THENCE CONTINUING N. 47 DEGREES 29 MINUTES 59 SECONDS W.-26.33 FEET TO THE P.C. OF A CURVE TO THE LEFT; THENCE CONTINUING WITH THE LINE OF THIRD ROAD NORTH, 182.21 FEET ALONG THE ARC OF A CURVE TO THE LEFT, WHICH

CURVE HAS A RADIUS OF 58.00 FEET, THE CHORD OF WHICH ARC BEARS S. 42 DEGREES 30 MINUTES 01 SECONDS W.-116.00 FEET TO THE P.T.; THENCE CONTINUING WITH THE SOUTHWESTERLY LINE OF THIRD ROAD, NORTH, S. 47 DEGREES 29 MINUTES 59 SECONDS E.-176.66 FEET TO THE P.C. OF A CURVE TO THE LEFT; THENCE CONTINUING WITH THE LINE OF THIRD ROAD, NORTH, 182.21 FEET ALONG THE ARC OF A CURVE TO THE LEFT, WHICH CURVE HAS A RADIUS OF 58.00 FEET, THE CHORD OF WHICH ARC BEARS N. 42 DEGREES 30 MINUTES 01 SECONDS E.-116.00 FEET TO THE P.T.; THENCE CONTINUING N. 47 DEGREES 29 MINUTES 59 SECONDS W.-26.33 FEET TO THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 65.97 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 42.00 FEET, THE CHORD OF WHICH ARC BEARS N. 02 DEGREES 29 MINUTES 59 SECONDS W.-59.40 FEET TO THE P.T., A ROD SET IN THE SOUTHEASTERLY LINE OF THIRD ROAD, NORTH.; THENCE CONTINUING WITH THE SOUTHEASTERLY LINE OF THIRD ROAD, NORTH, N. 42 DEGREES 30 MINUTES 01 SECONDS E.-201.83 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 15.50 FEET ALONG THE CURVE TO THE RIGHT WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH ARC BEARS N. 64 DEGREES 43 MINUTES 56 SECONDS E.-15.13 TO A NAIL IN THE SOUTHWESTERLY LINE OF GLEBE ROAD, STATE ROUTE NUMBER 120; THENCE RUNNING WITH THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD S. 47 DEGREES 29 MINUTES 59 SECONDS E.-192.37 FEET TO A FOUND DRILL HOLE; THENCE DEPARTING FROM SAID SOUTHWESTERLY LINE OF NORTH GLEBE ROAD AND RUNNING S. 42 DEGREES 30 MINUTES 01 SECONDS W.-357.94 FEET TO A FOUND DRILL HOLE, THENCE S. 42 DEGREES 41 MINUTES 30 SECONDS W.-153.38 FEET TO A FOUND DRILL HOLE, SAID DRILL HOLE LYING IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF NORTH PERSHING DRIVE (25 FEET FROM THE CENTERLINE THEREOF); THENCE RUNNING WITH SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF NORTH PERSHING DRIVE S. 47 DEGREES 18 MINUTES 30 SECONDS W.-187.32 FEET TO A ROD SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE 30.31 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 20.00 FEET, THE CHORD OF WHICH ARC BEARS N. 89 DEGREES 16 MINUTES 09 SECONDS W.-27.50 FEET TO A ROD SET AT THE P.T., THE POINT OF BEGINNING AND CONTAINING 7.634 ACRES OF LAND, MORE OR LESS.

ALL AS SHOWN ON A PLAT OF SURVEY ENTITLED: "GATES OF BALLSTON APARTMENTS NORTH GLEBE ROAD, ARLINGTON, VIRGINIA (SHEET 2 OF 3)," DRAWN BY LANDMARK-FLEET SURVEYORS, P.C. DATED MARCH 3, 2005. AS REVISED, REFERENCE TO WHICH IS MADE FOR A MORE PARTICULAR DESCRIPTION.

TRACT III:

BEGINNING AT A ROD SET IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF SECOND ROAD, NORTH, (20 FEET FROM THE CENTERLINE, THEREOF). SAID POINT OF BEGINNING LYING S. 42 DEGREES 31 MINUTES 31 SECONDS

W.-124.96 FEET MEASURED ALONG SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF SECOND ROAD, SOUTH FROM ITS INTERSECTION WITH THE SOUTHWESTERLY RIGHT-OF-WAY LINE OF NORTH GLEBE ROAD; THENCE RUNNING WITH SAID NORTHWESTERLY RIGHT-OF-WAY LINE OF SECOND ROAD, NORTH S. 42 DEGREES 31 MINUTES 31 SECONDS W. 410.12 FEET TO A ROD SET AT THE P.C. OF A CURVE TO THE LEFT; THENCE 32.81 FEET ALONG THE ARC OF SAID CURVE TO THE LEFT, WHICH CURVE HAS A RADIUS OF 380.10 FEET, THE CHORD OF WHICH ARC BEARS S. 40 DEGREES 03 MINUTES 13 SECONDS W.-32.80 FEET TO A ROD SET; THENCE CONTINUING 25.28 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 15.00 FEET, THE CHORD OF WHICH ARC BEARS S. 85 DEGREES 52 MINUTES 00 SECONDS W. 22.40 FEET TO A ROD SET IN THE NORTHWESTERLY RIGHT-OF-WAY LINE OF NORTH THOMAS STREET (20 FEET FROM THE CENTERLINE THEREOF); THENCE RUNNING WITH SAID NORTHEASTERLY RIGHT-OF-WAY LINE OF NORTH THOMAS STREET N. 45 DEGREES 50 MINUTES 49 SECONDS W. 205.08 FEET TO A DRILL HOLE SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE 24.39 FEET ALONG THE ARC OF SAID CURVE TO THE RIGHT WHICH CURVE HAS A RADIUS OF 15.00 FEET, THE CHORD OF WHICH ARC BEARS N. 00 DEGREES 43 MINUTES 51 SECONDS E.-21.79 FEET TO A ROD SET IN THE SOUTHEASTERLY RIGHT-OF-WAY LINE OF NORTH PERSHING DRIVE (25 FEET FROM THE CENTERLINE, THEREOF) NOT SHOWN ON MAP; THENCE RUNNING WITH SAID SOUTHEASTERLY RIGHT-OF-WAY LINE OF NORTH PERSHING DRIVE N. 47 DEGREES 18 MINUTES 30 SECONDS E.-180.39 FEET TO A FOUND NAIL; THENCE DEPARTING FROM SAID ROAD LINE AND RUNNING THROUGH THE PROPERTY OF HALL ARLINGTON ASSOCIATES ALONG THE FOLLOWING (5) COURSES AND DISTANCES: (1) S. 42 DEGREES 41 MINUTES 30 SECONDS E.-108.59 FEET, TO A ROD SET; (2) N. 42 DEGREES 31 MINUTES 00 SECONDS E.-186.40 FEET, TO A ROD SET; (3) S. 47 DEGREES 28 MINUTES 29 SECONDS E.-40.24 FEET, TO A ROD SET; (4) N. 42 DEGREES 31 MINUTES 31 SECONDS E.-80.00 FEET TO A ROD SET; AND (5) S. 47 DEGREES 28 MINUTES 29 SECONDS E.-70.02 FEET TO A ROD SET, THE POINT OF BEGINNING; CONTAINING 1.600 ACRES OF LAND, MORE OR LESS.

ALL AS SHOWN ON A PLAT OF SURVEY ENTITLED "GATES OF BALLSTON APARTMENTS NORTH GLEBE ROAD, ARLINGTON, VIRGINIA (SHEET 3 OF 3)", DRAWN BY LANDMARK-FLEET SURVEYORS, P.C. DATED MARCH 3, 2005, AS REVISED, REFERENCE TO WHICH IS MADE FOR A MORE PARTICULAR DESCRIPTION.

TRACT IV:

BEGINNING AT A ROD SET IN THE NORTHEASTERLY LINE OF NORTH THOMAS STREET (40 FEET WIDE), SAID ROD BEING THE P.C. OF A RETURN CURVE LEADING TO THE SOUTHEASTERLY LINE OF SECOND ROAD, NORTH (40 FEET WIDE): THENCE RUNNING 21.47 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 15.00 FEET, THE CHORD OF WHICH ARC BEARS N. 04 DEGREES 50 MINUTES 05 SECONDS W.-

19.68 FEET TO A P.C. A ROD SET IN THE SOUTHEASTERLY LINE OF SECOND ROAD, NORTH: THENCE RUNNING WITH THE SOUTHEASTERLY LINE OF SECOND ROAD, NORTH 37.81 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 340.10 FEET, THE CHORD OF WHICH ARC BEARS N. 39 DEGREES 20 MINUTES 30 SECONDS E. 37.79 FEET TO THE P.T., A RAILROAD SPIKE SET; THENCE CONTINUING WITH THE SOUTHEASTERLY LINE OF SECOND ROAD, NORTH, N. 42 DEGREES 31 MINUTES 31 SECONDS E.-526.11 FEET TO A NAIL SET AT THE P.C. OF A CURVE TO THE RIGHT; THENCE CONTINUING 9.64 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 15.00 FEET, THE CHORD OF WHICH ARC BEARS N. 60 DEGREES 56 MINUTES 33 SECONDS E.-9.48 FEET TO A NAIL SET IN THE SOUTHEASTERLY LINE OF NORTH GLEBE ROAD, STATE ROUTE NUMBER 120; THENCE RUNNING WITH THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD S. 47 DEGREES 29 MINUTES 59 SECONDS E.-271.24 FEET TO A NAIL SET, SAID POINT BEING A CORNER TO THE PROPERTY NOW OR FORMERLY OF GLEBE APARTMENTS, INC.; THENCE DEPARTING FROM THE SOUTHWESTERLY LINE OF NORTH GLEBE ROAD AND RUNNING WITH THE NORTHWESTERLY LINE OF THE NOW "KA INC. ET AL DB 2073 PG 810" PROPERTY, S. 42 DEGREES 33 MINUTES 32 SECONDS W.-233.12 FEET TO A ROD SET, THENCE S. 42 DEGREES 17 MINUTES 38 SECONDS W.-235.47 FEET TO A FOUND PIPE; THENCE CONTINUING WITH THE SOUTHWESTERLY LINE OF SAID GLEBE APARTMENTS, INC. PROPERTY, S. 47 DEGREES 26 MINUTES 54 SECONDS E.-174.50 FEET TO A FOUND PIPE; THENCE RUNNING S. 47 DEGREES 20 MINUTES 33 SECONDS W. 129.46 FEET TO A ROD SET, THENCE N. 47 DEGREES 18 MINUTES 56 SECONDS W.-1.69 FEET TO A ROD SET IN THE NORTHEASTERLY LINE OF NORTH THOMAS STREET; THENCE RUNNING WITH THE NORTHEASTERLY LINE OF NORTH THOMAS STREET 39.46 FEET ALONG THE ARC OF A CURVE TO THE RIGHT, WHICH CURVE HAS A RADIUS OF 1382.59 FEET THE CHORD OF WHICH ARC BEARS N. 46 DEGREES 39 MINUTES 52 SECONDS W. 39.46 FEET TO A ROD SET; THENCE CONTINUING ALONG THE NORTHEASTERLY LINE OF NORTH THOMAS STREET, N. 45 DEGREES 50 MINUTES 49 SECONDS W.-381.11 FEET TO THE POINT OF BEGINNING; CONTAINING 4.208 ACRES OF LAND, MORE OR LESS.

LESS AND EXCEPT

ALL THAT CERTAIN TRACT, PIECE OR PARCEL OF LAND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A 1/2 INCH ROD FOUND AT THE SOUTHEAST CORNER OF TRACT IV, WHICH POINT IS IN THE EAST LINE OF NORTH THOMAS STREET; THENCE LEAVING SAID NORTH THOMAS STREET NORTH 47 DEGREES 20 MINUTES 33 SECONDS EAST 129.46 FEET TO A PIPE FOUND; THENCE NORTH 47 DEGREES 26 MINUTES 54 SECONDS WEST 38.71 FEET TO THE TRUE POINT OF BEGINNING; THENCE SOUTH 42 DEGREES 33 MINUTES 22 SECONDS WEST 56.11 FEET TO A POINT; THENCE SOUTH 47 DEGREES 26 MINUTES 54 SECONDS EAST 2.40 FEET TO A POINT; THENCE S 42 DEGREES 33 MINUTES

22 SECONDS WEST 13.12 FEET TO A POINT; THENCE NORTH 47 DEGREES 26 MINUTES 54 SECONDS WEST 111.28 FEET TO A POINT; THENCE SOUTH 73 DEGREES 47 MINUTES 41 SECONDS WEST 12.29 FEET TO A POINT; THENCE SOUTH 44 DEGREES 09 MINUTES 11 SECONDS WEST 25.86 FEET TO A POINT; THENCE NORTH 45 DEGREES 50 MINUTES 49 SECONDS WEST 95.76 FEET TO A POINT; THENCE NORTH 44 DEGREES 09 MINUTES 11 SECONDS EAST 34.48 FEET TO A POINT; THENCE NORTH 08 DEGREES 28 MINUTES 58 SECONDS EAST 11.65 FEET TO A POINT; THENCE NORTH 11 DEGREES 07 MINUTES 17 SECONDS EAST 10.74 FEET TO A POINT; THENCE NORTH 75 DEGREES 13 MINUTES 42 SECONDS EAST 11.35 FEET TO A POINT; THENCE NORTH 44 DEGREES 09 MINUTES 11 SECONDS EAST 99.46 FEET TO A POINT; THENCE SOUTH 45 DEGREES 50 MINUTES 49 SECONDS EAST 77.92 FEET TO A POINT; THENCE SOUTH 42 DEGREES 17 MINUTES 38 SECONDS WEST 57.17 FEET TO A PIPE FOUND; THENCE SOUTH 47 DEGREES 26 MINUTES 54 SECONDS EAST 135.79 FEET TO THE POINT AND PLACE OF BEGINNING CONTAINING 0.5285 ACRES OR 23023.1 SQUARE FEET OF LAND, MORE OR LESS.

THE ABOVE PROPERTY IS INTENDED TO BE THE SAME AS THE PROPERTY AS DESCRIBED IN LAWYERS TITLE INSURANCE CORPORATION TITLE COMMITMENT NO. RQ051006C WITH AN EFFECTIVE DATE OF FEBRUARY 10, 2005 AT 8:00 A.M.

