# DEED OF LEASE BETWEEN

## McLEAN COMMERCIAL CENTER PARTNERS L.P.

(Landlord)

AND

DR. WENDY GARSON

DR. ROBERT JACOBS

(collectively, Tenant)

McLEAN COMMERCIAL CENTER 6849 Old Dominion Drive McLean, Virginia 22101

Fairfax County, Virginia

Dated \_\_\_\_\_\_, 1998

## TABLE OF CONTENTS

ARTICLET	BASIC LEASE INFORMATION AND DEFINITIONS	1
ARTICLE II	PREMISES AND QUIET ENJOYMENT	2
ARTICLE III	PARKING	3
ARTICLE IV	IMPROVEMENTS	3
ARTICLE V	COMMENCEMENT DATE; DELIVERY OF POSSESSION	3
ARTICLE VI	RENT	3
ARTICLE VII	DEPOSIT	4
ARTICLE VIII	SERVICES OF LANDLORD	4
ARTICLE IX	OPERATING COSTS	5
ARTICLE X	ALTERATIONS	6
ARTICLE XI	REPAIRS	7
ARTICLE XII	CONDUCT OF BUSINESS BY TENANT	7
ARTICLE XIII	INSURANCE AND INDEMNITY	8
ARTICLE XIV	DESTRUCTION OF PREMISES	10
ARTICLE XV	CONDEMNATION	11
ARTICLE XVI	ASSIGNMENT AND SUBLETTING	12
ARTICLE XVII	FINANCING AND SUBORDINATION	14
ARTICLE XVIII	DEFAULT AND REMEDIES	15
ARTICLE XIX	ACCESS BY LANDLORD	18
ARTICLE XX	SURRENDER; HOLDING OVER	18
ARTICLE XXI	NOTICES	19
ARTICLE XXII	MISCELLANEOUS	19
ARTICLE XXIII	HAZARDOUS MATERIALS	23
	SIGNATURES	25

## **EXHIBITS**

EXHIBIT A	PREMISES	26
EXHIBIT B	LAND	27
EXHIBIT C	COMMENCEMENT NOTICE	28
EXHIBIT D	RULES AND REGULATIONS	29
EXHIBIT E	WORKLETTER	30

## **DEED OF LEASE**

THIS DEED OF LEASE ("Lease") is made and entered into this 10 th day of SEPTEMBER, 1998, by and between McLEAN COMMERCIAL CENTER PARTNERS L.P., a Virginia limited partnership ("Landlord") and DR. WENDY GARSON and DR. ROBERT JACOBS (collectively, "Tenant") upon and in consideration of the terms, covenants and conditions contained in this Lease and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

#### WITNESSETH:

## ARTICLE I - BASIC LEASE INFORMATION AND DEFINITIONS

Section 1.01. The following is a summary of the basic Lease information:

- A. Premises: That portion of the Building, substantially as shown on the floor plan attached hereto as Exhibit A, known as Suite 300.
- B. Land: That certain parcel of real property situate, lying and being in the County of Fairfax, Virginia, as the same is shown on Exhibit B.
- C. Project: The Land, Building and all other improvements or other structures located or constructed, or to be located or constructed, on the Land.
- D. Building: The building located on the Land of which the Premises are a part commonly known as McLean Commercial Center.
  - E. Commencement Date: July 1, 1998.
  - F. Expiration Date: June 30, 2001.
- G. Term: That certain period of <u>Three (3) years</u>, beginning on the Commencement Date and ending on the Expiration Date, unless earlier terminated as provided herein.
  - H. Net Rentable Area of the Premises: Three Thousand Fifty Seven (3,057) square feet.
- I. Net Rentable Area of the Building: Approximately Sixty five thousand two (65,269) square feet.
- J. Tenant's Pro Rata Share: <u>Four and 68/100 percent (4.68%)</u> representing a fraction, the numerator of which is the Net Rentable Area of the Premises and the denominator of which is the Net Rentable Area of the Building.
  - K. Rent: Base Rent and Additional Rent.
- L. Base Rent: The initial Base Rent during the Term shall be <u>Sixty Thousand Two Hundred Forty Six and 36/100 Dollars (\$60,246.36)</u> per annum, (\$5,020.53 per month) (\$19.71 per square foot of Net Rentable Area of the Premises).
  - M. Landlord's Address for Notice:

McLean Commercial Center Partners L.P. 6862 Elm Street Suite 720 McLean, Virginia 22101 with a copy to:

Hazel & Thomas, P.C. 3110 Fairview Park Drive Suite 1400 Falls Church, Virginia 22042 Attn: Donna Shafer, Attorney-at-Law

N. Landlord's Address for Payment:

McLean Commercial Center Partners L.P. C/O The Mark Winkler Company P. O. Box 79334
Baltimore, Md. 21279-0334

O. Tenant's Address for Notice:

6849 Old Dominion Drive Suite 300 McLean, Virginia 22101

- P. Deposit: \$8,661.50 to be held by Landlord in accordance with the provisions of Article VII hereof. Landlord acknowledges that Tenant has paid the Deposit.
  - Q. Permitted Use: Optometry practice and general office purposes.
  - R. Brokers: None.

## ARTICLE II - PREMISES AND QUIET ENJOYMENT

Section 2.01. Premises. Landlord hereby leases and demises to Tenant, and Tenant hereby leases and rents from Landlord, the Premises for the Term, together with the right to use in common with others the Common Areas, subject to all of the terms, covenants, and conditions contained herein. Landlord and Tenant acknowledged and agree that the Premises contain 3.057 square feet of Net Rentable Area. The exterior walls, floor and ceiling and the area above and beneath the Premises are not demised hereunder, and the use thereof, together with the right to install, maintain, use, repair and replace pipes, ducts, conduits, wires, tunnels, sewers and structural elements leading through the Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of the Project are hereby reserved to Landlord.

Section 2.02. Quiet Enjoyment. Provided that Tenant fully and timely performs all the terms of this Lease on Tenant's part to be performed, including payment by Tenant of all Rent, Tenant shall peaceably and quietly have, hold and enjoy the Premises during the Term without hindrance, disturbance or molestation from or by Landlord.

Section 2.03. Landlord Right to Relocate. Landlord, upon 60 days written notice to Tenant, shall have the right to relocate Tenant to other comparable space within the Building. The space to which Tenant is relocated shall be comparable in size and quality to the Premises. The relocation shall be at Landlord's cost and the Base Rent for the new space shall not be higher than the Base Rent for the Premises in effect at the time. If Tenant does not accept the space to which it is to relocate, then Tenant shall have the right to terminate this Lease upon 30 days written notice to Landlord.

## **ARTICLE III - PARKING**

Section 3.01. Parking. Landlord hereby grants to Tenant a license to use in common with other tenants of the Building and with the public, ten (10) parking spaces (based on a ratio of 3.3 spaces per each thousand square feet of Net Rentable Area of the Premises), of which seven (7) shall be reserved and marked for Tenant's exclusive use, located in the portion of the Project designated for parking by Landlord from time to time. Tenant shall not be required to pay any parking fees in connection with the foregoing privileges. Tenant's use of the parking area is subject to the Rules and Regulations attached hereto as Exhibit D, including, without limitation, Landlord's right to cause unauthorized vehicles to be towed.

## **ARTICLE IV - IMPROVEMENTS**

<u>Section 4.01. Improvements.</u> Landlord shall make or cause to be made the "Improvements" to the Premises described in the Workletter attached hereto as Exhibit E. The terms pursuant to which the Improvements shall be constructed and paid for are also set forth in Exhibit E.

## ARTICLE V - COMMENCEMENT DATE; DELIVERY OF POSSESSION

Section 5.01. Commencement Date. The Commencement Date shall be July 1, 1998.

<u>Section 5.02.</u> Commencement Notice. On or before the Commencement Date, Landlord and Tenant shall execute a Commencement Notice in the form of Exhibit C; provided, however, that the failure of Landlord to prepare and present the Commencement Notice to Tenant, or Tenant's failure to execute the same shall not affect Tenant's liability hereunder.

<u>Section 5.03. Entry by Tenant</u>. Landlord and Tenant acknowledge that Tenant presently occupies the Premises.

Section 5.04. Occupancy. Intentionally deleted.

## ARTICLE VI - RENT.

<u>Section 6.01.</u> Base Rent. Tenant hereby covenants and agrees to pay to Landlord, during the Term, Base Rent, in equal monthly installments, in advance, on the first day of each calendar month during the Term.

Section 6.02. Base Rent Escalation. On July 1, 1999, the Base Rent shall be increased to Sixty Four Thousand One Hundred Ninety Seven and 00/100 Dollars (\$64,197.00), based upon a rental rate of \$21.00 per square foot of Net Rentable Area. On July 1, 2000 and on each anniversary date thereafter during the Term hereof (each of such dates being hereinafter referred to as an "Adjustment Date"), the monthly Base Rent payable pursuant to Section 1.01.L. hereof shall be increased by an amount equal to the product of (i) the monthly Base Rent in effect during the month immediately prior to the Adjustment Date then at hand (disregarding any rental abatement then in effect), and (ii) three percent (3%). The monthly Base Rent, as adjusted, shall be due and payable as of such Adjustment Date and on the first (1st) day of each month thereafter until the next Adjustment Date or the end of the Term of this Lease, whichever is applicable.

Section 6.03. Definitions and Payments. All sums of money or charges required to be paid by Tenant under this Lease other than Base Rent shall be deemed Additional Rent hereunder and all remedies applicable to the non-payment of Base Rent shall be applicable thereto. All Rent shall be paid without prior notice or demand therefor, and without any counterclaim, set-off, deduction, recoupment, credit or defense whatsoever, it being understood and agreed that

Tenant's covenant to pay the Rent is hereby deemed to be, and shall be, independent of the obligations of Landlord hereunder. All Rent payable by Tenant to Landlord hereunder shall be payable in immediately available funds. Any Additional Rent that relates to any default by Tenant shall be deemed payable on the first day of the month next following such default except as otherwise provided in this Lease. No payment by Tenant or receipt by Landlord of a lesser amount than the amount then due shall be deemed to be other than on account of the earliest amount of such obligation then due. No endorsement or statement on any check or letter or other communication accompanying a check for payment of any Rent shall be deemed an accord and satisfaction. No receipt and/or acceptance by Landlord of any sums shall be deemed a waiver of any default by Tenant.

<u>Section 6.04. Late Payment Charges</u>. Tenant shall pay a late charge of five percent (5%) of the amount of any installment of Rent not paid within five (5) days of the due date. Payment of a late charge shall not cure such default.

## **ARTICLE VII - DEPOSIT**

Section 7.01. Security Deposit. Landlord acknowledges that Tenant has paid the Deposit. The Deposit shall not constitute Rent for any period. The Deposit shall be repaid to Tenant after the termination of this Lease, provided Tenant shall have complied with all the terms of the Lease. Upon any Default by Tenant hereunder, Landlord may apply all or part of the Deposit on account of such Default and thereafter Tenant shall restore the resulting deficiency in the Deposit within ten (10) days after Landlord's application thereof.

Section 7.02. Intentionally deleted.

## **ARTICLE VIII - SERVICES OF LANDLORD**

## Section 8.01. Services.

- A. Provided Tenant is not in default under the terms of this Lease, during the Term Landlord shall furnish Tenant with the following services and facilities: (i) heat and/or air conditioning from 8:00 a.m. to 6:00 p.m. Monday through Friday, and 9:00 a.m. to 1:00 p.m. on Saturdays, excepting holidays; (ii) electric current, water, public lavatory facilities and supplies; and (iii) janitorial services, including trash removal, Monday through Friday, excepting holidays.
- B. If Tenant requires air-conditioning, heating or other services, including cleaning services, routinely supplied by Landlord for hours or days in addition to the hours and days specified in Section 8.01.A, Landlord, at Tenant's sole expense, shall make reasonable efforts to provide such additional service after reasonable prior written request therefor from Tenant, and Tenant shall reimburse Landlord for all expenses incurred in connection with such additional service.
- C. If Tenant's requirements for or consumption of electricity is excessive, Landlord shall, at Tenant's expense, make reasonable efforts to supply such service through the then-existing feeders and risers serving the Building and the Premises and shall bill Tenant periodically for such additional service.
- <u>Section 8.02. Utility Suppliers.</u> Landlord's obligation to furnish utility services shall be subject to the rules and regulations of the supplier of such utility services and the rules and regulations of any municipal or other governmental authority regulating the business of providing utility services.

#### **ARTICLE IX - OPERATING COSTS**

Section 9.01. Tenant's Operating Costs Payment. Tenant shall pay to Landlord, as Additional Rent, for each year or fractional year during the Term, Tenant's Pro Rata Share of the amount by which Operating Costs (as hereinafter defined) exceed Base Operating Costs (as hereinafter defined). Tenant's payment is hereinafter referred to as the "Operating Costs Payment" and shall be due in accordance with the following:

- A. At the beginning of each calendar year during the Term and any renewal term (or as soon thereafter as is practicable), Landlord shall furnish Tenant with an estimate ("Estimate") of the Operating Costs Payment for the forthcoming year. On the first day of each calendar month during such year, Tenant shall pay to Landlord one-twelfth (1/12th) of Tenant's estimated Operating Costs Payment as shown on the Estimate. If for any reason Landlord has not provided Tenant with the Estimate at the beginning of any year during the Term, then Tenant shall continue to pay Tenant's Operating Costs Payment payable for the previous year, and promptly after receipt of Landlord's Estimate, Tenant shall pay to Landlord any deficiency between the amounts actually paid for such year and the amount due in accordance with Landlord's Estimate for such year. The foregoing notwithstanding, Landlord shall have the right from time to time during any year to adjust such Estimate.
- B. At the beginning of the second calendar year and all subsequent calendar years during the Term (or as soon thereafter as is practicable), Landlord shall furnish Tenant with a statement of the actual Operating Costs Payment for the preceding year. If Tenant's actual Operating Costs Payment for such preceding year, as shown on Landlord's statement, exceeds the aggregate of the monthly installments of Tenant's Operating Costs Payments paid during the preceding year, within thirty (30) days after Landlord's delivery of such statement, Tenant shall make a lump sum payment to Landlord in the amount of such excess. If Tenant's actual Operating Costs Payment as shown on Landlord's statement is less than the aggregate of the monthly installments actually paid by Tenant during such preceding year, then Landlord shall apply such amount to the next accruing installment(s) of Additional Rent due from Tenant under this Section 9.01 until fully credited to Tenant.
- C. A pro rata adjustment shall be made to Tenant's Operating Costs Payment for the years in which the term of the Lease begins and ends, as necessary.

Section 9.02. Operating Costs. For purposes of this Lease, the term "Operating Costs" shall mean any and all expenses, costs and disbursements of every kind which Landlord pays, incurs or becomes obligated to pay in connection with the operation, management, repair and maintenance of all portions of the Project. All Operating Costs shall be determined according to generally accepted accounting principles which shall be consistently applied. Operating Costs include, but are not limited to, the following: (a) Wages, salaries, and fees due in connection with the management, operation, repair, maintenance, or security of the Project, including a management fee and Project management office rent or rental value; (b) Cost of performance by Landlord's personnel of, or of all service agreements for services which include, but are not limited to, maintenance, janitorial services, access control, alarm service, window cleaning. elevator maintenance and landscaping for the Project; (c) All utilities for the Project, including water, sewer, electricity and gas; (d) Cost of all insurance for the Project which Landlord may carry from time to time, together with all appraisal and consultants' fees in connection with such insurance; (e) All Taxes (as hereinafter defined); (f) Legal and accounting costs incurred by Landlord or paid by Landlord to third parties; (g) Cost of non-capitalized repairs and general maintenance of the Project; and (h) Amortization of the cost of improvements or equipment which are capital in nature and which (1) are for the purpose of reducing Operating Costs of the Project, up to the amount saved as a result of the installation thereof, as reasonably estimated by Landlord, or (2) enhance the Project for the general benefit of tenants or occupants thereof, or (3) are required by any governmental authority, or (4) replace any building equipment needed to operate the Project at the same quality levels as prior to the replacement, or (5) are customarily considered to be operating costs in the real estate industry notwithstanding the capital nature

thereof under generally accepted accounting principles. All such costs, including interest, shall be amortized on a straight-line basis over the useful life of the capital investment items, as reasonably determined by Landlord, but in no event beyond the reasonable useful life of the Project as a first-class office project.

For purposes hereof, the term "Taxes" shall mean (i) all taxes, assessments, and other governmental charges, applicable to or assessed against the Project or any portion thereof, or applicable to or assessed against Landlord's personal property used in connection therewith, whether Federal, state, county, or municipal and whether assessed by taxing districts or authorities presently taxing the Project or the operation thereof or by other taxing authorities subsequently created, or otherwise, and (ii) any reasonable expenses incurred by Landlord in contesting any taxes or the assessed valuation of all or any part of the Project. If at any time during the Term Landlord shall be required to pay any charge which is based upon rents from the Project, or the transactions represented by leases or the occupancy or use of the Project, such charges shall be deemed to be Taxes; provided, however, that any (i) franchise, corporation, income or net profits tax, unless substituted for real estate taxes or imposed as additional charges in connection with the ownership of the Project, which may be assessed against Landlord or the Project or both, (ii) transfer taxes assessed against Landlord or the Project or both, and (iii) personal property taxes of Tenant or other tenants in the Project shall be excluded from Taxes.

"Operating Costs" shall not include (i) expenses for which Landlord is reimbursed (either by an insurer, condemnor, tenant, warrantor or otherwise) to the extent of funds received by Landlord; (ii) expenses incurred in leasing or procuring tenants (including lease commissions, advertising expenses and expenses of renovating space for tenants); (iii) interest or amortization payments on any mortgages; (iv) net basic rents under ground leases; (v) costs specially billed to and paid by specific tenants; (vi) expenses in connection with services or other benefits of a type which Tenant is not entitled to receive under the Lease but which are provided to another tenant or occupant in the Building; (vii) costs incurred as a result of a violation by Landlord or any other tenant of the Building of the terms of any lease relating to the Building; (viii) overhead and profit paid to subsidiaries or affiliates of Landlord for services on or to the Building and/or the Premises, to the extent only that the costs of such services exceed competitive costs of such services were they not rendered by an affiliate; (ix) compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord in the Building; and (x) any fines or penalties incurred due to violations by Landlord of any governmental law, ordinance, rule or authority. There shall be no duplication of costs or reimbursement.

<u>Section 9.03.</u> Base Operating Costs. As used herein, the term "Base Operating Costs" shall mean and refer to all Operating Costs accruing during the period beginning on the Commencement Date and ending on the first anniversary thereof ("Base Year").

Section 9.04. Adjustments. If the average occupancy rate for the Building during any calendar year is less than one hundred percent (100%), or if any tenant is separately paying for electricity, janitorial services or other services furnished to its premises, then actual Operating Costs for such calendar year shall be adjusted to an amount which Landlord estimates would have been incurred in Landlord's reasonable judgment had the Building been fully occupied and if Landlord paid for all electricity, janitorial services and other services furnished to such premises. Additionally, if Landlord effects a change in either the number of square feet of Net Rentable Area in the Premises or in the Building, Tenant's Operating Costs Payment shall be adjusted, effective as of the date of any such change.

## **ARTICLE X - ALTERATIONS**

<u>Section 10.01.</u> Alterations. Tenant shall have the right to make strictly decorative alterations or to rearrange trade fixtures without obtaining Landlord's prior consent. Tenant shall not make or cause to be made any structural, exterior, mechanical, electrical or plumbing alterations, repairs.

additions or improvements in or to the Premises without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. Tenant shall have the right to make all other types of alterations upon receipt of Landlord's prior written consent, which consent shall not be unreasonably withheld. All of the foregoing alterations which require Landlord's prior written consent are hereinafter collectively referred to as "Alterations."

Section 10.02. Mechanic's Liens. In the event that any mechanic's lien is filed against the Premises or the Project as a result of any services or labor provided, or materials furnished, by or on Tenant's behalf, or claimed to have been provided by or on Tenant's behalf, Tenant shall (i) immediately notify Landlord of such lien, and (ii) within ten (10) calendar days after the filing of any such lien, discharge and cancel such lien of record by payment or bonding in accordance with the laws of the Commonwealth of Virginia, all at Tenant's sole cost and expense.

Section 10.03. Removal. All leasehold improvements (including the Improvements, if any), alterations and other physical additions made to the Premises shall be Landlord's property and shall not be removed from the Premises. Notwithstanding the foregoing, upon the expiration or earlier termination of this Lease, Tenant shall, at Tenant's expense, remove any of the foregoing items (excluding the Improvements, if any) from the Premises if Landlord gives Tenant written notice to do so. Tenant shall promptly repair or reimburse Landlord for the cost of repairing all damage done to the Premises by such removal. Prior to making any Alteration or other addition, Landlord shall, upon receipt of Tenant's written request, make a determination as to whether Landlord will require Tenant to remove such Alteration at the expiration of the term of the Lease.

Section 10.04. Rights Reserved by Landlord. Landlord shall have the right, exercisable without notice and without liability to Tenant for damage or injury to property, person or business and without effecting any eviction, constructive or actual, or disturbance of Tenant's use of possession of the Premises or giving rise to any claim for set-off or abatement of Rent, to decorate or to make repairs, alterations, additions or improvements, whether structural or otherwise, in and about the Building and the Project, or any part thereof, so long as the Premises are reasonably useable and accessible.

## **ARTICLE XI - REPAIRS**

Section 11.01. Repairs. Landlord shall perform all maintenance and make all repairs and replacements to the Premises and the Project. All maintenance and repair costs for the remainder of the Project shall constitute Operating Costs; provided, however, Tenant shall be solely responsible for all costs incurred in repairing damage to the Project caused by the Tenant or its agents, employees, contractors, invitees and licensees but only to the extent the cost thereof is not collected under Landlord's insurance. Landlord has no obligation and has made no promise to maintain, alter, improve or repair the Premises or any part thereof, except as specifically set forth in this Lease. In no event shall Landlord have any obligation to maintain, repair or replace any furniture, furnishings, fixtures or personal property of Tenant.

## ARTICLE XII - CONDUCT OF BUSINESS BY TENANT

Section 12.01. Use of Premises. Tenant shall use and occupy the Premises during the Term solely for the Permitted Use and for no other purpose. Tenant specifically agrees that the Premises shall not be used for the storage of personal property unless expressly permitted by the terms of this Lease. Tenant specifically agrees that the Premises shall not be used for any purpose which is inconsistent with the operation of a first class office building. If any governmental licenses or permits shall be required for the proper and lawful conduct of Tenant's business in the Building, then Tenant shall procure and maintain same at Tenant's expense. Tenant shall be permitted to add no more than one (1) additional optometrist practitioner to Tenant's practice in the Premises.

Section 12.02. Operation of Business. Tenant shall pay before delinquency, any and all taxes, assessments and public charges levied, assessed or imposed upon Tenant's business, Tenant's leasehold interest or upon Tenant's fixtures, furnishings or equipment in the Premises, and pay when due all such license fees, permit fees and charges of a similar nature for the conduct by Tenant or any subtenant. Tenant shall observe the Rules and Regulations attached hereto as Exhibit D and all other reasonable rules and regulations established by Landlord from time to time, provided Tenant shall be given notice thereof.

Section 12.03. Care of Premises. Tenant shall keep the Premises (including the Improvements, if any) in good order and in a safe, neat and clean condition. Tenant shall not move any safe, heavy machinery, heavy equipment, or fixtures into or out of the Premises without Landlord's prior written consent. Tenant agrees that it will not place a load on the floor exceeding the floor load per square foot which such floor was designed to carry. Tenant shall keep vinyl roll mats under all office chairs in order to protect the carpeting.

<u>Section 12.04.</u> Signage. Landlord shall provide Tenant with one (1) new suite entry sign, containing up to three (3) doctors' names, and one (1) new directory strip for a third practicioner in the first floor lobby directory. Tenant shall not install or maintain any sign on the Project; provided, however, Tenant may display signs inside the Premises which are not visible outside the Premises.

Section 12.05. Legal Requirements. Tenant shall, at its own expense, comply with all laws, orders, ordinances and regulations of Federal, state and local authorities, including but not limited to Titles I and III of the Americans With Disabilities Act ("ADA") as it relates to the Premises and the Project, and with directions of public rules, recommendations, requirements and regulations respecting all matters of occupancy, condition or maintenance of the Premises, whether such orders or directions shall be directed to Tenant or Landlord. Wherever the term "legal requirements" appears in this Lease, such term shall be deemed to be, and include, the requirements hereinabove set forth.

## **ARTICLE XIII - INSURANCE AND INDEMNITY**

<u>Section 13.01.</u> Insurance to be <u>Procured by Landlord</u>. Landlord agrees, during the Term hereof, to obtain and maintain in effect at all times, fire and extended coverage insurance (or broader insurance coverage) insuring the Building. Such insurance shall be issued by an insurance company licensed to do business in the Commonwealth of Virginia.

<u>Section 13.02.</u> Insurance to be <u>Procured by Tenant</u>. Tenant, at Tenant's sole cost and expense, shall obtain and maintain in effect at all times during the Term of this Lease, policies providing for the following coverage:

- A. Property Insurance. Policies of insurance covering Tenant's fixtures and equipment installed and located in the Premises, and in addition thereto, covering all of the furnishings, merchandise and other contents in the Premises, for the full replacement value of said items. Coverage should at least insure against any and all perils included within the classification "Fire and Extended Coverage" under insurance industry practice in the Commonwealth of Virginia, together with insurance against vandalism, malicious mischief and sprinkler leakage or other sprinkler damage.
- B. Liability Insurance. A policy of commercial general liability insurance, naming Landlord, Landlord's managing agent and any mortgagee of the Project as additional insureds, protecting against any liability occasioned by any occurrence on or about any part of the Project or the Premises, and containing contractual liability coverage, with such policies to be in the minimum amount of Three Million and No/100 Dollars (\$3,000,000.00), combined single limit, written on an occurrence basis. In the event that it becomes customary for a significant number

of tenants of commercial office buildings in the area to be required to provide liability insurance policies to their landlords with coverage limits higher than the foregoing limits, then Tenant shall be required on demand of Landlord to obtain insurance policies the limits of which are not less than the then customary limits.

- C. Tenant's Worker's Compensation Insurance. A policy of worker's compensation or similar insurance affording statutory coverage and containing statutory limits as required under the local worker's compensation or similar statutes.
- D. Builder's Risk Insurance. If Tenant undertakes alterations, a policy of builder's risk insurance on an "All Risk" or "Special Loss" basis (including collapse) on a completed value (non-reporting) form for full replacement value covering all work incorporated in the Premises and all materials and equipment in or about the Premises performed by Tenant for which builder's risk insurance would customarily be obtained.
- E. Contractor's Liability Insurance. If Tenant undertakes alterations, Tenant shall require any contractor performing work on the Premises to carry and maintain, at no expense to Landlord, a non-deductible (i) comprehensive general liability insurance policy, which shall include contractor's liability coverage, contractual liability coverage, completed operations coverage, a broad form property damage endorsement and contractor's protective liability coverage to afford protection with limits, for each occurrence, of not less than One Million Dollars (\$1,000,000) combined single limit, written on an occurrence basis; and (ii) worker's compensation or similar insurance policy in form and amounts required by law.

Section 13.03. General Provisions. All insurance policies procured by Tenant shall (i) be issued by good and solvent insurance companies licensed to do business in the Commonwealth of Virginia and having a Best's Rating of A:XII or better; (ii) be written as primary policy coverage and not contributing with or in excess of any coverage which Landlord may carry; (iii) insure and name Landlord, Landlord's managing agent and any mortgagee of the Project as additional insureds as their respective interests may appear; all such policies shall contain a provision that although Landlord and such mortgagees are named insureds, Landlord and such mortgagees shall nevertheless be entitled to recover under said policies for any loss, injury or damage to Landlord, such mortgagees or their servants, agents and employees by reason of the act or negligence of Tenant; and (iv) shall contain an express waiver of any right of subrogation by the insurance company against Landlord or Landlord's agents and employees. Neither the issuance of any insurance policy required hereunder, nor the minimum limits specified herein with respect to Tenant's insurance coverage, shall be deemed to limit or restrict in any way Tenant's liability arising under or out of this Lease. With respect to each and every one of the insurance policies herein required to be procured by Tenant, on or before the Commencement Date and before any such insurance policy shall expire. Tenant shall deliver to Landlord a duplicate original, a certified copy or a certificate of insurance of each such policy or renewal thereof, as the case may be, together with evidence of payment of all applicable premiums. Any insurance required to be carried hereunder may be carried under a blanket policy covering the Premises and other locations of Tenant, and if Tenant includes the Premises in such blanket coverage. Tenant shall deliver to Landlord, as aforesaid, a duplicate original or certified copy of each such insurance policy, or a certificate evidencing such insurance coverage on the Premises. Each and every insurance policy required to be carried hereunder by or on behalf of Tenant shall provide (and any certificate evidencing the existence of each such insurance policy shall certify) that, unless Landlord shall first have been given thirty (30) days prior written notice thereof: (i) such insurance policy shall not be canceled and shall continue in full force and effect, (ii) the insurance carrier shall not, for any reason whatsoever, fail to renew such insurance policy, and (iii) no material changes may be made in such insurance policy. The term "insurance policy" as used herein shall be deemed to include any extensions or renewals of such insurance policy. In the event that Tenant shall fail promptly to furnish any insurance coverage hereunder required to be procured by Tenant, Landlord, at its sole option, shall have the right to obtain the same and pay the premium therefor for a period not exceeding one (1) year in each instance, and the

premium so paid by Landlord shall be immediately payable by Tenant to Landlord as Additional Rent.

Section 13.04. Insurance Requirements. Tenant shall not do or permit to be done any act or thing upon the Premises that will invalidate or be in conflict with fire insurance policies covering the Project or any part thereof, or any other insurance policies or coverage referred to above in this section; and Tenant shall promptly comply with all rules, orders, regulations, or requirements, of the Insurance Service Office having jurisdiction, or any similar body, in the case of such fire insurance policies, and shall not do, or permit anything to be done, in or upon the Premises, or bring or keep anything therein, which shall increase the rate of fire insurance on the Project or on any property located therein, or increase the rate or rates of any other insurance referred to hereinabove applicable to the Project or any portion thereof. If by reason of failure of Tenant to comply with the provisions of this section, the fire insurance rate, or the rate or rates of any other insurance coverage referred to above, shall at any time be higher than it otherwise would be, and if Landlord, at such time is obligated to, or has elected to, obtain and maintain in effect any such insurance coverage, then Tenant shall reimburse Landlord on demand as Additional Rent for that part of all premiums for any insurance coverage that shall have been charged because of such violation by Tenant and which Landlord shall have paid on account of an increase in the rate or rates in its own policies of insurance. In any action or proceeding wherein Landlord and Tenant are parties, a schedule or "makeup" of rate for the Premises issued by the Insurance Services Office having jurisdiction, or similar body making fire insurance rates for the Premises or property, in the case of the aforesaid fire insurance policies, and the respective body or bureau establishing rates in the case of all of the other aforesaid insurance policies, shall be conclusive evidence of the facts therein stated and of the several items and changes in the fire insurance rate and other insurance rates then applicable to the Project.

Section 13.05. Indemnification. Tenant hereby waives all claims against Landlord for damage to any property or injury to, or death of, any person in, upon, or about the Project, including the Premises, arising at any time and from any cause other than solely by reason of the gross negligence or willful misconduct of Landlord, its agents, employees, representatives, or contractors. Such waiver includes, but is not limited to, any claim arising in connection with a failure to furnish, or any cessation of the services Landlord has agreed to provide in this Lease. Tenant shall, and hereby agrees to, indemnify and hold Landlord harmless from any damage to any property or injury to, or death of, any person arising from the condition of the Project or the use or occupancy of the Building and the Premises by Tenant, its agents, employees, representatives, contractors, successors or assigns, licensees or invitees, unless such damage is caused solely by the gross negligence or willful misconduct of Landlord, its agents, employees, representatives or contractors. The provisions of this Article XIII shall survive the termination of this Lease with respect to any occurrence prior to such termination and any resulting damage. injury or death. Notwithstanding anything in this Article XIII to the contrary, Landlord shall not be liable to Tenant for any claims resulting from the gross negligence or willful misconduct of Landlord, its agents, employees, representatives or contractors to the extent such claims are covered by the types of insurance Tenant is to maintain pursuant to this Lease.

Landlord shall, and hereby agrees to, indemnify and hold Tenant harmless from any damage to any property or injury to, or death of, any person arising from (i) the negligence of Landlord, its agents, employees, representatives or contractors, (ii) a breach of or default by Landlord of the terms of this Lease which continues beyond any applicable cure period, or (iii) the condition of the Common Areas of the Building, unless the damage or loss is related to the negligence or willful misconduct of Tenant, its employees, agents, contractors, representatives, licensees or invitees.

## **ARTICLE XIV - DESTRUCTION OF PREMISES**

<u>Section 14.01.</u> <u>Destruction of Premises</u>. Tenant shall give prompt notice to Landlord in case of any casualty to the Premises or the Building. If the Premises or the Building shall be damaged

by fire or other casualty, then Landlord may terminate this Lease by notice given within ninety (90) days after such event. In the event this Lease is terminated as provided in this Section 14.01: (i) the entire proceeds of the insurance provided for in Section 13.01 hereof shall be paid by the insurance company or companies directly to Landlord and shall belong to, and be the sole property of, Landlord, (ii) the portion of the proceeds of the insurance provided for in Section 13.02 which is insuring leasehold improvements, equipment, fixtures and other items, which by the terms of the Lease, rightfully belong to the Landlord upon the termination of the Lease by whatever cause shall be paid by the insurance company or companies directly to Landlord, and shall belong to, and be the sole property of, Landlord, (iii) Tenant shall immediately vacate the Premises in accordance with this Lease, (iv) all Rent shall be apportioned and paid to the date on which possession is relinquished or the date of such damage, whichever last occurs, and (v) Landlord and Tenant shall be relieved from any and all further liability or obligation hereunder except as expressly provided in this Lease. Tenant hereby waives any and all rights to terminate this Lease that it may have, by reason of damage to the Premises by fire or other casualty, pursuant to any presently existing or hereafter enacted statute or pursuant to any other law.

Section 14.02. Obligation to Rebuild. If all or any portion of the Premises is damaged by fire or other casualty and this Lease is not terminated in accordance with the provisions of Section 14.01 above, then all insurance proceeds under the policies referred to in Sections 13.01 and 13.02 hereof that are recovered on account of any such damage by fire or casualty shall be made available for the payment of the cost of repair, replacing and rebuilding, and as soon as practicable after such damage occurs Landlord shall, using the proceeds provided for by Section 13.01 (and, to the extent applicable, proceeds from insurance policies provided for by Section 13.02) hereof, repair or rebuild the Premises or such portion thereof to its condition immediately prior to such occurrence to the extent the cost therefor is fully funded by insurance proceeds. In no event shall Landlord be obligated to repair or replace Tenant's movable trade fixtures, equipment or personalty. In addition, Tenant shall, using the remaining proceeds of the insurance proceeds from policies provided for in Section 13.02 hereof, repair, restore and replace Tenant's movable trade fixtures, personalty and equipment. If the aforesaid insurance proceeds under the insurance provided for in Section 13.02 hereof shall be less than the cost of repairing or replacing Tenant's movable trade fixtures, equipment and personalty, or other items required to be insured by Tenant pursuant to Section 13.02 hereof, Tenant shall pay the entire excess cost thereof; and if such insurance proceeds shall be greater than the cost of such repair. restoration, replacement or rebuilding, the excess proceeds shall belong to, and be the property of. Tenant.

Section 14.03. Rent Abatement. In the event of any repair or rebuilding pursuant to the provisions of Section 14.02 hereof, then there shall be abated an equitable portion of the Base Rent during the existence of such damage, based upon the portion of the Premises which is rendered untenantable and the duration thereof. Except as may be specifically set forth in this Article XIV, Landlord shall not be liable or obligated to Tenant to any extent whatsoever by reason of any fire or other casualty damage to the Premises, or any damages suffered by Tenant by reason thereof, or the deprivation of Tenant's possession of all or any part of the Premises.

## **ARTICLE XV - CONDEMNATION**

Section 15.01. Condemnation of Premises or Project. In the event that all or substantially all of the Premises or the Project is taken or condemned by condemnation or conveyance in lieu thereof ("condemnation"), or if only a portion of the Premises is condemned and Tenant is unable to conduct its business in the remainder of the Premises, as reasonably determined by Landlord, the Term hereof shall cease and this Lease shall terminate on the earlier of the date the condemning authority takes possession or the date title vests in the condemning authority.

<u>Section 15.02.</u> Partial Taking of Project. In the event any portion of the Project shall be taken by condemnation (whether or not such taking includes any portion of the Premises), which taking, in Landlord's judgment, results in a condition where the Project cannot be restored in an

economically feasible manner for use substantially as originally designed, then Landlord shall have the right, at Landlord's option, to terminate this Lease, effective as of the date specified by Landlord in a written notice of termination from Landlord to Tenant.

<u>Section 15.03.</u> Partial Taking of Premises. In the event that a portion, but less than substantially all of the Premises shall be taken by condemnation, then this Lease shall be terminated as of the date of condemnation as to the portion of the Premises so taken, and, unless Landlord exercises its option to terminate this Lease pursuant to Section 15.02, this Lease shall remain in full force and effect as to the remainder of the Premises.

Section 15.04. Termination. In the event of termination of this Lease pursuant to the provisions of Section 15.01 or 15.02, the Rent shall be apportioned as of the date of such termination. In addition, in the event of termination of the Lease as to only a portion of the Premises as contemplated by Section 15.03, a pro-rata portion of the Rent shall be apportioned as of the date of such termination. Notwithstanding the foregoing, those provisions of this Lease which are designated to cover matters of termination and the period thereafter, or by their very nature cover such matters, shall survive the termination hereof.

<u>Section 15.05.</u> Condemnation Award. All compensation awarded or paid upon a condemnation of any portion of the Project shall belong to and be the property of Landlord without participation by Tenant. Nothing herein shall be construed, however, to preclude Tenant from prosecuting any claim directly against the condemning authority for loss of business, loss of goodwill, moving expenses, damage to, and cost of removal of, trade fixtures, furniture and other personal property belonging to Tenant; provided, however, that Tenant shall make no claim which shall diminish or adversely affect any award claimed or recovered by Landlord.

## **ARTICLE XVI - ASSIGNMENT AND SUBLETTING**

<u>Section 16.01. Tenant's Right to Assign and Sublet.</u> A. Subject to the terms of this Section 16.01 and provided there exist no defaults by Tenant under this Lease, Tenant shall have the right to assign this Lease or sublet all or a portion of the Premises.

B. In the event Tenant desires to assign this Lease or sublet all or a portion of the Premises, Tenant shall give to Landlord ninety (90) days prior written notice of Tenant's intention to do so. Within thirty (30) days after receipt of said notice, Landlord shall have the right (i) if Tenant desires to sublet, to sublet from Tenant the portion of the Premises proposed by Tenant to sublet, at a rental rate equal to the lesser of the per square foot rate Tenant intends to offer to third parties, or the per square foot rental rate then in effect for the Premises, or (ii) in the case of a proposed assignment, to terminate this Lease as of the proposed effective date set forth in Tenant's notice to Landlord, in which event Tenant shall be relieved of all further obligations hereunder, except for those obligations under the terms of this Lease which expressly survive the termination hereof or which by their very nature survive termination. In the event Landlord does not exercise its right to sublet or to terminate the Lease as provided above in this Section. Tenant may assign this Lease or sublet all or a portion of the Premises as set forth in the notice after first obtaining the written consent of Landlord. Landlord agrees that its consent to a proposed assignment or sublease shall not be unreasonably withheld, delayed or conditioned if the transferee (i) assumes all of the obligations and liabilities of Tenant, (ii) is financially capable of fulfilling the monetary obligations due in connection with the proposed assignment or sublease as reasonably determined by Landlord, and (iii) shall provide Landlord with a guaranty in form and substance acceptable to Landlord in Landlord's sole discretion. If Tenant does not so assign or sublet within ninety (90) days of the original notice to Landlord pursuant to this Section, then Tenant shall again be required to comply with the notice provision thereof, and Landlord shall again have the right to sublet the applicable portion of the Premises or to terminate the Lease. In the event Tenant assigns the Lease or sublets all or a portion of the Premises in accordance with this Paragraph B, Tenant shall pay to Landlord one hundred percent (100%) of all consideration or other rent in excess of the rent rate that Tenant must pay Landlord hereunder

(after deducting brokerage commissions, attorneys' fees and other disbursements reasonably incurred by Tenant for such assignment or subletting if acceptable evidence of such disbursement is delivered to Landlord). Such payment shall constitute Additional Rent and shall be paid by Tenant to Landlord in the same manner that Tenant pays Base Rent.

- C. Except as otherwise provided in this Section 16.01, Tenant shall not sublet the Premises or any part thereof or transfer possession or occupancy thereof to any person, firm or corporation or transfer or assign this Lease without the prior written consent of the Landlord, nor shall any subletting or assignment thereof be effected by operation of law or otherwise than by the prior written consent of the Landlord. If there shall occur any change in the ownership of, or the power to vote, the majority of the outstanding capital stock or partnership interests of Tenant without the prior written consent of Landlord, then such change shall constitute an assignment of this Lease and, as such, shall be subject to this Section 16.01. The foregoing provisions of this Section 16.01C shall not be applicable if Tenant is a publicly held corporation, i.e., a corporation which has one hundred (100) or more unrelated stockholders and whose stock is traded "overthe-counter" or on a recognized public stock exchange.
- D. The consent by Landlord to any assignment, transfer or subletting to any party shall not be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease, nor shall the collection or acceptance of rent from any such assignee, transferee, subtenant or occupant constitute a waiver or release of Tenant of any covenant or obligation contained in this Lease, nor shall any such assignment or subletting be construed to relieve Tenant from giving Landlord the required written notice or from obtaining the consent in writing of Landlord to any future assignment or subletting. In the event that Tenant defaults hereunder, Tenant hereby assigns to Landlord the rent due from any transferee of Tenant and hereby authorizes each such transferee to pay said rent directly to Landlord.

## Section 16.02. Assignment Under Bankruptcy Code.

- A. Tenant acknowledges that this Lease is a lease of nonresidential real property and, therefore, agrees that Tenant, as the debtor in possession, or the trustee for Tenant (collectively "the Trustee") in any proceeding under Title 11 of the United States Bankruptcy Code relating to Bankruptcy, as amended, or under any other similar federal or state statute (collectively, the "Bankruptcy Code"), shall not seek or request any extension of time to assume or reject this Lease or to perform any obligations of this Lease which arise from or after the order of relief.
- B. If the Trustee proposes to assume or to assign this Lease or sublet the Premises (or any portion thereof) to any person who shall have made a bona fide offer to accept an assignment of this Lease or a subletting on terms acceptable to the Trustee, the Trustee shall give Landlord and lessors and mortgagees of Landlord, of which Tenant has notice, written notice setting forth the name and address of such person and the terms and conditions of such offer, no later than twenty (20) days after receipt of such offer, but in any event no later than ten (10) days prior to the date on which the Trustee makes application to the Bankruptcy Court for authority and approval to enter into such assumption, assignment or subletting. Landlord shall have the prior right and option, to be exercised by written notice to the Trustee given at any time prior to the effective date of such proposed assumption, assignment or subletting, to accept an assignment of this Lease or subletting of the Premises upon the same terms and conditions and for the same consideration, if any, as the bona fide offer made by such person, less any brokerage commissions which may be payable out of the consideration to be paid by such person for the assignment or subletting.
- C. The Trustee shall have the right to assume Tenant's rights and obligations under this Lease only if the Trustee: (i) promptly cures, or provides adequate assurance that the Trustee will promptly cure, any default under this Lease; (ii) compensates, or provides adequate assurance that the Trustee will promptly compensate, Landlord for any actual pecuniary loss incurred by Landlord as a result of Tenant's default under this Lease; and (iii) provides adequate assurance of future performance under this Lease. Adequate assurance of future performance

by the proposed assignee shall include, as a minimum, that: (a) the Trustee or any proposed assignee of this Lease shall deliver to Landlord a security deposit in an amount equal to at least three (3) months' Rent accruing under this Lease; (b) any proposed assignee of this Lease shall provide to Landlord an audited financial statement, dated no later than six (6) months prior to the effective date of such proposed assignment or sublease with no material change therein as of the effective date, which financial statement shall show the proposed assignee to have a net worth equal to at least twelve (12) months' Rent accruing under this Lease, or, in the alternative, the proposed assignee shall provide a guarantor of such proposed assignee's obligations under this Lease, which guarantor shall provide an audited financial statement meeting the above requirements of this clause (b) and execute and deliver to Landlord a guaranty agreement in form and substance acceptable to Landlord; and (c) any proposed assignee shall grant to Landlord a security interest in favor of Landlord in all furniture, fixtures and other personal property to be used by such proposed assignee in the Premises. All payments of Rent required of Tenant under this Lease, whether or not expressly denominated as such in this Lease, shall constitute rent for the purposes of Title 11 of the Bankruptcy Code.

- D. The parties agree that for the purposes of the Bankruptcy Code relating to (i) the obligation of the Trustee to provide adequate assurance that the Trustee will "promptly" cure defaults and compensate Landlord for actual pecuniary loss, the word "promptly" shall mean that cure of defaults and compensation will occur no later than sixty (60) days following the filing of any motion or application to assume this Lease; and (ii) the obligation of the Trustee to compensate or to provide adequate assurance that the Trustee will promptly compensate Landlord for "actual pecuniary loss", the term "actual pecuniary loss" shall mean, in addition to any other provisions contained herein relating to Landlord's damages upon default, payments of Rent, including interest at the Interest Rate on all unpaid Rent, all attorneys' fees and related costs of Landlord incurred in connection with any default of Tenant and in connection with Tenant's bankruptcy proceedings.
- E. Any person or entity to which this Lease is assigned pursuant to the provisions of the Bankruptcy Code shall be deemed, without further act or deed, to have assumed all of the obligations arising under this Lease and each of the conditions and provisions hereof on and after the date of such assignment. Any such assignee shall, upon the request of Landlord, forthwith execute and deliver to Landlord an instrument, in form and substance acceptable to Landlord, confirming such assumption.
- F. Notwithstanding the foregoing, to the extent allowed by law, this Lease shall not be assigned or assignable by voluntary or involuntary bankruptcy, insolvency or reorganization proceedings, and in no event shall this Lease or any rights or privileges hereunder be an asset of Tenant under any bankruptcy, insolvency or reorganization proceedings.

Section 16.03. Assignment by Landlord. The term "Landlord", as used in this Lease, so far as covenants or obligations on the part of Landlord are concerned, shall be limited to mean and include only the owner or owners, at the time in question, of the fee title to, or a lessee's interest in a ground lease of, the Project. In the event of any transfer, assignment or other conveyance or transfers of any such title or interest, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer, assignment or conveyance of all liability as respects the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed and, without further agreement, the transferee of such title or interest shall be deemed to have assumed and agreed to observe and perform any and all obligations of Landlord hereunder, during its ownership of the Project. Landlord may transfer its interest in the Lease or the Project without the consent of Tenant and such transfer or subsequent transfer shall not be deemed a violation on Landlord's part of any of the terms of this Lease.

## **ARTICLE XVII - FINANCING AND SUBORDINATION**

Section 17.01. Subordination. This Lease and all rights of Tenant hereunder are subject and subordinate to all current and future underlying leases, restrictive covenants, easements, governmental ordinances, deeds of trust, mortgages or other security instruments or encumbrances covering any portion of the Project or any interest of Landlord therein, as the same may be amended from time to time. This provision is declared by Landlord and Tenant to be self-operative and no further instrument shall be required to effect such subordination of this Lease. Upon demand, however, Tenant shall execute, acknowledge, and deliver to Landlord any further instruments evidencing such subordination as Landlord, and any mortgagee or lessor of Landlord shall reasonably require, and if Tenant fails to so execute, acknowledge and deliver such instruments within ten (10) days after the Landlord's request, Landlord is hereby empowered to do so in Tenant's name and on Tenant's behalf, then in such event Tenant hereby irrevocably appoints Landlord as Tenant's agent and attorney-in-fact for the purpose of executing, acknowledging, and delivering any such instruments.

## Section 17.02. Subordination by Landlord's Mortgagee or Lessor; Attornment.

- A. Notwithstanding the generality of the foregoing provisions of Section 17.01, any mortgagee or lessor of Landlord shall have the right at any time to subordinate this Lease to any such deed of trust or mortgage or underlying lease, or to any of the provisions hereof, on such terms and subject to such conditions as such mortgagee or lessor of Landlord may consider appropriate in its discretion.
- B. At any time, before or after any transfer of Landlord's interest in the Project, Tenant shall, upon request of such transferee ("Successor Landlord"), automatically attorn to and become the Tenant (or if the Premises have been validly subleased, the subtenant) of the Successor Landlord, without change in the terms or other provisions of this Lease (or, in the case of a permitted sublease, without change in this Lease or in the instrument setting forth the terms of such sublease); provided, however, that the Successor Landlord shall not be bound by any modification to this Lease without the consent of the Successor Landlord or by any payment made by Tenant of Rent for more than one (1) month in advance. This agreement of Tenant to attorn to a Successor Landlord shall survive any foreclosure sale, trustee's sale, conveyance in lieu thereof or termination of any underlying lease. Tenant shall upon demand at any time, before or after any such foreclosure or termination, execute, acknowledge, and deliver to the Successor Landlord any written instruments evidencing such attornment as such Successor Landlord may reasonably require.
- C. Upon Tenant's written request in each instance, Landlord shall endeavor in good faith to obtain a non-disturbance agreement from any mortgagee or beneficiary of any deed of trust with respect to the Premises, provided that the same can be obtained at no cost or liability to Landlord. Landlord shall have no liability to Tenant, however, in the event that Landlord is unable to obtain such an agreement after having endeavored in good faith to do so. Tenant shall reimburse Landlord for all costs paid or incurred by Landlord in connection with obtaining or seeking to obtain such an agreement.
- D. Following a transfer, the Successor Landlord shall remain liable to Tenant for the return of the Deposit hereunder, and then only to the extent that, a Successor Landlord acknowledges receipt of all or any part of the Deposit.

## **ARTICLE XVIII - DEFAULT AND REMEDIES**

Section 18.01. Defaults. The following shall constitute "Defaults" by Tenant under the Lease:

- A. Subject to the terms of the Bankruptcy Code, the circumstances of Tenant, or any guarantor of Tenant's obligation hereunder, or any permitted sublessee or assignee, in financial difficulties as evidenced by (1) its admitting in writing its inability to pay its debts generally as they become due, or (2) its filing a petition in bankruptcy or for reorganization or for the adoption of an arrangement under the Bankruptcy Code or an answer or other pleading admitting the material allegations of such a petition or seeking, consenting to or acquiescing in the relief provided for under the Bankruptcy Code, or (3) its making an assignment of all or a substantial part of its property for the benefit of its creditors, or (4) its seeking or consenting to or acquiescing in the appointment of a receiver or trustee for all or a substantial part of its property or of the Premises, or (5) its being adjudicated a bankrupt or insolvent, or (6) the entry of a court order without its consent, which order shall not be vacated, set aside or stayed within thirty (30) days from the date of entry, appointing a receiver or trustee for all or a substantial part of its property or approving a petition filed against it for the effecting of an arrangement in bankruptcy or for a reorganization pursuant to the Bankruptcy Code or for any other judicial modification or alteration of the rights of creditors.
- B. If Tenant shall refuse to take possession of the Premises within five (5) days after the Commencement Date:
- C. If Tenant shall vacate or abandon the Premises and permit the same to remain unoccupied and unattended, or shall remove or manifest an intent to remove, not in the ordinary course of business, Tenant's goods or property out of the Premises;
- D. If any execution, levy, attachment or other process of law shall occur upon Tenant's goods, fixtures or interests in the Premises:
- E. If Tenant violates the Lease by attempting to make an unpermitted assignment, transfer or sublease;
- F. If Tenant shall fail to pay any installment of Rent when the same shall become due and payable, and such failure shall continue for five (5) days after written notice from Landlord; provided, however, Landlord shall not be required to provide such notice more than three (3) times in any twelve (12) months period, or more than five (5) times during the Term;
- G. If Tenant permits to be done anything which creates a lien upon the leasehold or the Premises and fails to cause such lien to be discharged, or bond such lien or post such security with Landlord as is required by the Lease:
  - H. If Tenant fails to maintain in force all policies of insurance required by this Lease;
- I. If Tenant fails to provide Landlord with the financial statements or the estoppel certificates within the time period referenced in the Lease;
  - J. Intentionally deleted.
- K. If Tenant shall fail to perform or observe any other term of this Lease (not hereinbefore specifically referred to) on the part of Tenant to be performed or observed, and such failure shall continue for more than fifteen (15) days after written notice from Landlord (except that such fifteen (15) day period shall be extended for such additional period of time as may reasonably be necessary to cure such Default (subject to a maximum extension of thirty (30) days), if such Default, by its nature, cannot be cured within such fifteen (15) day period, provided that Tenant commences to cure such Default within such fifteen (15) day period and is,

at all times thereafter, in the process of diligently curing the same and in any event cures such Default prior to the time a failure to cure could cause the Landlord to be subject to prosecution for violation of any law, rule, ordinance or regulation or causes, or could cause a default under any deed of trust, mortgage, underlying lease, tenant lease or other agreement applicable to the Project); or

L. If Tenant shall have failed to perform any non-monetary obligation under this Lease three or more times within any eighteen (18) month period, notwithstanding any subsequent cure of such failure as provided in this Section 18.01.

<u>Section 18.02.</u> Remedies. Should a Default occur under this Lease, Landlord may pursue the following:

- A. Landlord shall have the right, by written notice to Tenant, to declare this Lease terminated and the Term ended, in which event (i) Tenant shall vacate and surrender the Premises; (ii) Tenant shall immediately pay to Landlord the sum of (a) all Rent accrued through the date of termination or recovery of possession by Landlord, whichever is later; plus (b) the worth at the time of such termination of the excess, if any, of the amount of Rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Landlord; and (iii) this Lease shall automatically expire.
- B. Landlord shall have the right to bring a special proceeding to recover possession of the Premises from Tenant.
- C. Landlord shall have the right, without notice, to re-enter the Premises and dispossess, by summary proceedings, self help or other lawful means, Tenant and any other occupant(s) of the Premises, and Tenant shall have no further claim or right hereunder. The words "re-enter" and "re-entry" as used herein shall not be restricted to their technical legal meaning.
- D. Landlord may exercise its rights under Section 18.02 B or C above with or without terminating the Lease, and in no event shall any such exercise be construed as an election to terminate this Lease or operate to release Tenant from any of its obligations for the remainder of the Term of this Lease, or give rise to any claim for trespass.
- E. If Landlord exercises its rights under Section 18.02 B or C above, Landlord may remove all persons from the Premises, and Landlord may treat all property as abandoned and dispose of same in accordance with Section 20.02 of this Lease.
- F. If Landlord exercises its rights under Section 18.02 B or C above and elects not to terminate the Lease, it may from time to time, make such alterations and repairs as necessary in order to relet the Premises, and thereafter relet the Premises or any part thereof for such rent and upon such other terms and conditions as Landlord may determine advisable in its sole discretion. Upon each such reletting all rentals and other sums received by Landlord from such reletting shall be applied, first, to the payment of any costs and expenses of such reletting; second, to the payment of any indebtedness other than Rent due hereunder from Tenant to Landlord; third, to the payment of Rent due and unpaid hereunder; and the residue, if any, shall be applied in payment of the current month's rent. If such rentals and other sums received from such reletting during any month are less than the amounts due pursuant to the foregoing schedule for application of proceeds, Tenant shall pay such deficiency to Landlord; if such rentals and other sums shall be more, Tenant shall have no right to, and shall receive no credit for, the excess. Such deficiency shall be calculated and paid monthly. Notwithstanding any such reletting without termination, Landlord may at any time elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other remedies it may have, it may recover from Tenant all damages it may incur

by reason of such breach, including the cost of recovering the Premises, reasonable attorneys' fees, and including Rent for the remainder of the term as calculated in Section 18.02A.

- G. Any damage or loss of Rent sustained by Landlord may be recovered by Landlord, at Landlord's option, at the time of the reletting or termination, in a single action or in separate actions, from time to time, as said loss of rents or damages shall accrue, or in a single proceeding deferred until the expiration of the Term of this Lease (in which event Tenant hereby agrees that the cause of action shall not be deemed to have accrued until the date of expiration of said Term).
- H. To the extent permitted by law, Tenant waives notice of re-entry or institution of legal proceedings. Tenant hereby expressly waives (to the extent legally permissible), for itself and all persons claiming by, through, or under it, any right of redemption or for the restoration of the operation of this Lease under any present or future law, including, without limitation, as provided in Va. Code Section 55-247, in case Tenant shall ever be in default hereunder or shall be dispossessed for any cause, or in case Landlord shall obtain possession of the Premises as herein provided. Notwithstanding anything to the contrary in the Lease, the Premises shall not be used in whole or in part for residential purposes.
- I. In addition to the other remedies provided in this Lease, and anything contained herein to the contrary notwithstanding, Landlord shall be entitled to restraint by injunction of any violation of this Lease.
- <u>Section 18.03.</u> Waiver of Trial by Jury. Tenant and Landlord each hereby waive all right to trial by jury in any matter arising out of or in any way connected with this Lease.
- Section 18.04. Additional Remedies and Waivers. With respect to the rights and remedies and waivers herein, (i) such rights and remedies shall be in addition to any other right and remedy now or hereafter available at law or in equity; (ii) all such rights and remedies shall be cumulative and not exclusive of each other; (iii) such rights and remedies may be exercised at such times, in such order, to such extent, and multiple times without regard to whether the exercise of one right or remedy precedes, concurs with or succeeds the exercise of another; (iv) a single or partial exercise of a right or remedy shall not preclude (a) a further exercise thereof, or (b) the exercise of another right or remedy, from time to time; and (v) no waiver of a Default shall be effective unless acknowledged in writing signed by Landlord.

<u>Section 18.05.</u> Distraint. In addition to all other rights and remedies of Landlord, if Tenant shall be in Default hereunder, Landlord shall, to the extent permitted by law, have a right of distraint for Rent and a lien on all of Tenant's furniture, trade fixtures and equipment in the Premises, as security for Rent.

## ARTICLE XIX - ACCESS BY LANDLORD

## Section 19.01. Access.

- A. Landlord may, during any reasonable time or times, upon prior notice to Tenant, before and after the Commencement Date, enter upon the Premises, any portion thereof, and any appurtenance thereto (with workers and materials, if required) for the purpose of: (i) inspecting the same; (ii) making repairs, replacements or alterations; or (iii) showing the Premises to prospective purchasers or lessees. No such entry by Landlord shall constitute an actual or constructive eviction of Tenant or give rise to any liability to Tenant.
- B. Landlord shall have the right, at its sole option, to immediately and without notice cure a default by Tenant for the account and at the expense of Tenant and may access the Premises if necessary to do so. Tenant agrees to pay, with interest at the Interest Rate on demand, to Landlord the amount so incurred by Landlord in connection with such default.

## ARTICLE XX - SURRENDER: HOLDING OVER

Section 20.01. Surrender. Upon the expiration or earlier termination of this Lease, or upon reentry by Landlord without terminating this Lease following a Default, Tenant shall peacefully vacate and surrender the Premises to Landlord in good order, broom clean and in the same condition as at the beginning of the Term, reasonable wear and tear excepted. Tenant shall also remove its trade fixtures, furniture and other personal property from the Premises along with any leasehold improvements or other additions which Tenant is required to remove pursuant to the Lease.

Section 20.02. Personal Property. If Tenant fails to timely remove its property in accordance with Section 20.01 above, Landlord shall have the right, on the fifth (5th) day after Landlord's delivery of written notice to Tenant, to deem such property abandoned by Tenant. Tenant shall not be entitled to any further notice or cure period. Landlord may thereafter remove or otherwise deal with the abandoned property in a commercially reasonable manner at Tenant's sole cost and expense and Landlord shall have no liability to Tenant with respect to such abandoned property. Tenant specifically acknowledges and agrees that in no event shall Landlord be considered a bailee as to such property. Tenant shall and hereby agrees to indemnify Landlord against any loss, cost, expense, claim, cause of action or the like arising in connection with Landlord's proper exercise of its rights under this Section 20.02 including, without limitation, any claim by a third party for conversion or trespass as to chattels.

<u>Section 20.03. Holding Over.</u> If Tenant shall hold possession of the Premises after the expiration or sooner termination of the Term of this Lease, then:

A. If such holding over is with Landlord's written consent, Tenant shall be deemed to be occupying the Premises as a tenant from month-to-month, at a monthly rental equal to twice the sum of (i) the monthly installment of Base Rent payable during the last month of the Term, and (ii) one-twelfth (1/12) of the monthly installments of Tenant's Operating Costs Payment payable during the last month of the Term, subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy; or

B. If such holding over is without Landlord's written consent, Tenant shall be treated as a trespasser, and Landlord shall be entitled to the benefit of all laws relating to the speedy recovery of the possession of the Premises. Under such continued occupancy, Tenant shall be subject to the terms of the Lease and the holdover rent in A above.

<u>Section 20.04.</u> Survival. The terms of this Article XX shall survive the expiration or earlier termination of this Lease.

#### **ARTICLE XXI - NOTICES**

Section 21.01. Notices. All notices, consents, demands, requests, documents, or other communications (other than payment of Rent) required or permitted hereunder (collectively, "notices") shall be deemed given, whether actually received or not, when dispatched for hand delivery or delivery by air express courier (with signed receipts) to the other party, or on the third business day after deposit in the United States Mail, postage prepaid, certified or registered, return receipt requested, except for notice of change of address which shall be deemed given only upon actual receipt. The addresses of the parties for notices shall be those set forth in the Basic Lease Information, or any such other addresses subsequently specified by each party in notices given pursuant to this Article.

<u>Section 21.02.</u> Notice to <u>Lender</u>. In the event of any default by Landlord hereunder, Tenant shall, prior to taking any action to remedy such default or to cancel this Lease or any other action

in connection therewith, send to any lender of which Tenant has notice) (the "Mortgagee"), by certified mail, return receipt requested, a notice specifying the default by Landlord, whereupon such Mortgagee shall have the right, but not the obligation, to cure such default on behalf of Landlord, which cure shall be accepted by Tenant, and such Mortgagee shall be afforded a reasonable period of time to do so, including time to obtain possession of the Premises by power of sale or judicial foreclosure, if such should prove necessary to effect a cure. Tenant shall have no right to take any other action as a result of Landlord's default unless and until Tenant complies with the provisions of this paragraph.

## **ARTICLE XXII - MISCELLANEOUS**

<u>Section 22.01. Professional Fees.</u> To the extent permitted by law, in any action or proceeding brought by either party against the other under this Lease, the substantially prevailing party shall be entitled to recover from the other party its actual professional fees such as appraisers', accountants' and attorneys' fees, investigation costs, and other legal expenses and court costs incurred by the prevailing party in such action or proceeding.

<u>Section 22.02.</u> No Partnership. Nothing contained herein shall be deemed or construed as creating the relationship of principal and agent, partnership, joint venture or any other relationship between the parties hereto except Landlord and Tenant.

<u>Section 22.03.</u> Brokerage. Tenant warrants and represents that there was no broker or agent on Tenant's behalf instrumental in consummating this Lease, and that no conversations or prior negotiations were had by Tenant with any broker or agent on Tenant's behalf concerning the renting of the Premises. Tenant shall indemnify and hold Landlord harmless against any claims for brokerage or other commissions arising by reason of a breach of the aforesaid representation and warranty.

## Section 22.04. Interpretation.

- A. Every term, condition, agreement or provision contained in this Lease that imposes an obligation on Tenant or Landlord shall be deemed to be also a covenant by Tenant or Landlord, as applicable.
- B. Wherever it is provided herein that a party "may" perform an act or do anything, it shall be construed that that party may, but shall not be obligated to, so perform or so do such act or thing.
- C. This Lease may be executed in several counterparts and the counterparts shall constitute but one and the same instrument.
- D. Any party may act under this Lease by its attorney or agent appointed by an instrument executed by such party.
- E. Wherever a requirement is imposed on any party hereto, it shall be deemed that such party shall be required to perform such requirement at its sole cost and expense unless it is specifically otherwise provided herein.
- F. Any restriction on or requirement imposed upon Tenant hereunder shall be deemed to extend to Tenant's guarantors, Tenant's sublessees, Tenant's assignees and Tenant's invitees, and it shall be Tenant's obligation to cause the foregoing persons to comply with such restriction or requirement.
- <u>Section 22.05.</u> Recording. Neither this Lease nor any memorandum hereof may be recorded among the land records of the jurisdiction in which the Project is located without the express

written consent of Landlord which consent may be granted or withheld in Landlord's sole discretion.

<u>Section 22.06.</u> Severability. Every agreement contained in this Lease is, and shall be construed as, a separate and independent agreement. If any term of this Lease or the application thereof to any person or circumstance shall be invalid or unenforceable, the remaining agreements contained in this Lease shall not be affected.

<u>Section 22.07. Non-Merger.</u> There shall be no merger of this Lease with any underlying leasehold interest or the fee estate in the Project or any part thereof by reason of the fact that the same person may acquire or hold, directly or indirectly, this Lease or any interests in this Lease as well as any underlying leasehold interest or fee estate in the Project or any interest in such fee estate.

Section 22.08. Landlord's Liability. Anything contained in this Lease to the contrary notwithstanding, Tenant agrees that Tenant shall look solely to the estate and property of Landlord in the Premises for the collection of any judgment or other judicial process requiring the payment of money by Landlord for any default or breach by Landlord under this Lease, subject, however, to the prior rights of any mortgagee or lessor of the Premises. No other assets of Landlord or any partners, shareholders, or other principals of Landlord shall be subject to levy, execution or other judicial process for the satisfaction of Tenant's claim.

Section 22.09. Force Majeure. Whenever a period of time is herein prescribed for action to be taken by Landlord including, without limitation, time for construction and repairs in the Project, Landlord shall not be liable or responsible for, and there shall be excluded from the computation for any such period of time, any delays due to force majeure, which term shall include strikes, riots, acts of God, shortages of labor or materials, war, governmental approvals, laws, regulations, or restrictions, or any cause of any kind whatsoever which is beyond the reasonable control of Landlord.

<u>Section 22.10.</u> Headings. The article headings contained in this Lease are for convenience only. Words in the singular number shall be held to include the plural, unless the context otherwise requires.

Section 22.11. Successors and Assigns. If there be more than one Tenant, the obligations hereunder imposed upon Tenant shall be joint and several, and all agreements and covenants herein contained shall be binding upon the respective heirs, personal representatives, and successors and assigns of the parties hereto. Notwithstanding the foregoing, nothing contained in this Section 22.11 shall be deemed to override restrictions on assignment and subletting contained in this Lease.

<u>Section 22.12.</u> Entire Agreement; Amendments. This Lease and the Exhibits and Riders attached hereto set forth the entire agreement between the parties. No amendment or modification of this Lease shall be binding or valid unless expressed in a writing executed by the party against whom enforcement is sought.

Section 22.13. Governing Law. This Lease shall be governed by and construed under the laws of the Commonwealth of Virginia, without reference to its conflicts of laws principles. Tenant hereby consents to jurisdiction and venue in the General District or Circuit Court for the City of Alexandria, Virginia or in any other court in the Commonwealth of Virginia selected by Landlord if any suit is brought relating to this Lease. Should any provision of this Lease require judicial interpretation, Landlord and Tenant hereby agree and stipulate that the court interpreting or considering same shall not apply the presumption that the terms hereof shall be more strictly construed against a party by reason of any rule or conclusion that a document should be construed more strictly against the party who itself or through its agents prepared the same, it being agreed that all parties hereto have participated in the preparation of this Lease and that

each party had full opportunity to consult legal counsel of its choice before the execution of this Lease.

Section 22.14. Time of Essence. Time is of the essence in this Lease.

<u>Section 22.15.</u> Acceptance by Landlord. The submission of this Lease to Tenant shall not be construed as an offer and Tenant shall not have any rights with respect thereto unless and until Landlord executes a copy of this Lease and delivers the same to Tenant.

Section 22.16. Financial Statements. From time to time during the Term of this Lease, Tenant shall, upon ten (10) days prior written notice from Landlord, provide Landlord with a current financial statement and financial statements of the two (2) years prior to the current financial statement year. Such statements shall be prepared in accordance with generally accepted accounting principles and, if such is the normal practice of Tenant, shall be audited by an independent certified public accountant. If it is not the normal practice of Tenant to prepare audited statements, then the unaudited statements shall be certified to by the Tenant's chief financial officer.

Section 22.17. Estoppel Certificates. Tenant shall, from time to time, within ten (10) days after request from Landlord, or from any mortgagee or beneficiary of any deed of trust of Landlord (a "mortgagee") or lessor of Landlord, or entity which may be a prospective purchaser of the property of which the Premises are a part, execute, acknowledge and deliver an estoppel certificate provided by Landlord certifying, to the extent true, that this Lease is in full force and effect and unmodified (or, if there have been modifications, that the same is in full force and effect as modified and stating the modifications); that the Term has commenced and the full amount of Rent then accruing hereunder; the dates to which the Rent has been paid; that Tenant has accepted possession of the Premises and that any improvements required by the terms of this Lease to be made by Landlord have been completed to the satisfaction of Tenant; the amount, if any, that Tenant has paid to Landlord as a Security Deposit; that no Rent under this Lease has been paid more than thirty (30) days in advance of its due date; that the address for notices to be sent to Tenant is as set forth in this Lease (or has been changed by notice duly given and is as set forth in the certificate); that Tenant, as of the date of such certificate, has no charge, lien, or claim of offset under this Lease or otherwise against Rent or other charges due or to become due hereunder; that, to the knowledge of Tenant, Landlord is not then in default under the terms of this Lease; that, if Landlord has assigned this Lease as collateral for a loan, and informed Tenant of the identity of the mortgagee, Tenant will, upon written request of the mortgagee, pay Rent directly to such mortgagee; and such other matters as may be reasonably requested by Landlord or any mortgagee, lessor or prospective purchaser of Landlord. Any such certificate may be relied upon by Landlord, or any mortgagee, lessor or prospective purchaser of Landlord. In the event that Tenant fails to provide Landlord with an estoppel certificate as described and within the time period provided hereinabove, Landlord is hereby appointed Tenant's attorney-in-fact for the purpose of executing such estoppel certificate and delivering the same to any mortgagee, lessor or prospective purchaser of Landlord, which appointment is coupled with an interest and is therefore irrevocable.

Section 22.18. Common Areas. "Common Areas" shall mean those certain areas and facilities of the Building which are from time to time provided by Landlord for the use of tenants of the Project and their employees, clients, customers, licensees and invitees or for use by the public.

Section 22.19. ERISA Covenant. Tenant represents and warrants to Landlord, and any mortgagee, beneficiary of any deed of trust or other individual or entity having a security interest in the Project, or a portion thereof (a "mortgagee"), that it is not a pension plan, employee benefit fund or government plan subject to regulation as such by any Federal or state laws, rules, regulations or orders, and specifically that (i) it is not a pension fund, employee benefit plan or other fund subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), (ii) it is not a "government plan" as defined in Section 3(32) of ERISA, (iii) it is not a "party in interest" (as defined in ERISA) with respect to any of the above, and (iv) no

source of its funds constitutes "plan assets" as defined in ERISA and within the meaning of 29 C.F.R. 2510.3-101, or assets of any government plan within the meaning of Section 3(32) of ERISA. Tenant covenants that it will maintain the status throughout the Term, except as may be consented to by Landlord from time to time, in Landlord's sole and absolute discretion, and will re-certify the foregoing to Landlord within ten (10) days after Landlord's written request. Tenant hereby agrees to indemnify, defend and hold Landlord and any and all mortgagees (past, present or future) harmless from and against any and all claims, suits, actions, proceedings, liability, damages, penalties, losses, costs and expenses (and, without limitation, court costs and attorneys' fees) which they, or any of them may suffer or incur as a result of a breach of the foregoing representations, warranties and covenants. Such a breach shall, in addition, constitute a Default.

Section 22.20. Authority. Each individual executing this Lease on behalf of Landlord and Tenant represents and warrants that he is duly authorized to execute and deliver this Lease on behalf of Landlord or Tenant in accordance with a partnership agreement or a duly adopted resolution of the Board of Directors or in accordance with bylaws and that this Lease is binding upon Landlord and Tenant in accordance with its terms.

Section 22.21. Interest. All past due payments of Rent shall bear interest from the due date until paid at the rate ("Interest Rate") which is the greater of: fifteen percent (15%) or four percent (4%) above the prime rate of interest from time to time publicly announced by Signet Bank/Virginia, or any successor thereof; provided, however, the interest sought to be imposed shall not exceed the maximum rate permitted under Federal law or under the laws of the Commonwealth of Virginia.

<u>Section 22.22.</u> Survival. Tenant's obligations contained in this Lease shall survive the termination or expiration of this Lease.

Section 22.23. Tenant Access. Tenant shall have access to the Premises twenty-four (24) hours a day, seven (7) days a week, three hundred sixty-five (365) days a year. Landlord agrees that the front and rear doors of the Building shall be unlocked from 8:00 a.m. to 7:00 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday. Landlord intends to equip the Building with an electronic access or other security system for after-hours and weekend entry. In the event security cards are required for such after-hours and weekend entry, Landlord shall provide ten (10) access cards to Tenant at no cost.

Section 22.24. Confidentiality. Tenant shall, and shall require its officers, directors, shareholders, employees, agents and contractors, to keep all aspects of this Lease and the transaction contemplated herein and all other information related to the Building and Landlord strictly confidential. No announcement or publication of any such information or of this Lease shall be made without the written consent and approval of Landlord, which may be withheld in Landlord's sole and absolute discretion.

## **ARTICLE XXIII - HAZARDOUS MATERIALS**

Section 23.01. Environmental Requirements. Tenant's use and occupancy of the Premises shall at all times be in strict compliance with any and all federal, state and local statutes, laws, rules, regulations, orders, ordinances and standards, as they may now or hereafter exist, relating in any way to the protection of the environment, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. Sections 9601, et seq. ("CERCLA"), the Resource Conservation and Recovery Act, as amended, 42 U.S.C. Sections 6901, et seq. ("RCRA"), the Toxic Substances Control Act, as amended, 15 U.S.C. Sections 2601, et seq., the Clean Water Act, as amended, 33 U.S.C. Sections 1251, et seq., the Clean Air Act, as amended, 42 U.S.C. Sections 7401, et seq., and analogous state statutes (collectively, "Environmental Statutes").

Section 23.02. Clean-Up. In the event of any Release (as hereinafter defined) or threat of a Release or the presence of any Hazardous Substance (as hereinafter defined) affecting the Premises or surrounding areas, Tenant shall immediately notify Landlord in writing thereof and Tenant shall immediately take all measures necessary to contain, remove and dispose off the Premises, or surrounding areas, all such materials present or released or contaminated by the Release and remedy and mitigate all threats to public health or the environment relating to such presence or Release or threat of Release. If Tenant shall fail to take the measures described above or fail to comply with any of the requirements of any Environmental Statutes, Landlord may, at its election, but without the obligation to do so, give such notice and/or cause such work to be performed at the Premises or surrounding areas, as applicable, and/or take any and all other actions as Landlord shall deem necessary to restore the Premises or surrounding areas, as applicable, to the original condition existing as of the date of this Lease. Such actions by Landlord do not affect Tenant's obligations under the Lease. This entire Article XXIII shall survive termination or the Expiration Date of the Lease.

Section 23.03. Indemnification. Tenant shall, at all times, indemnify, defend and hold harmless Landlord against and from any and all claims, liens, suits, actions, debts, damages, costs, losses, liabilities, obligations, judgments, and expenses (including, without limitation, court costs and attorneys' fees), of any nature whatsoever, arising from or relating to (i) compliance with any Environmental Statutes; (ii) a Release of any Hazardous Substance; (iii) the threat of a Release of any Hazardous Substance affecting the Premises or surrounding areas, including, without limitation, any loss of value of, loss of use of, or loss of income from the Premises as a result of any of the foregoing. Tenant's obligations under this Lease shall arise whether or not any governmental authority or individual has taken or threatened any action in connection with the presence of any Hazardous Substance.

Section 23.04. Definitions. As used herein, the term "Hazardous Substance" shall mean any material that is or contains "hazardous substances" as defined pursuant to CERCLA or the Virginia hazardous waste management regulations or "petroleum" as defined pursuant to RCRA or other material or substance that requires special handling by Federal, state or local law, or industry practice, without regard to the quantity or location of such material. The term Hazardous Substances shall include building materials and building components including, without limitation, asbestos contained in or comprising building materials or building components. The term "Release" shall have the same meaning as set forth in Section 101(22) of CERCLA.

Section 23.05. Operations. Tenant will not engage in operations during the Term or any extension or renewal thereof which involve the generation, manufacturing, refining, transportation, treatment, storage, disposal or handling of any Hazardous Substance, except that office equipment and cleaning solutions that are customarily found in first-class office buildings and which are or contain a Hazardous Substance may be used, generated, handled or stored on the Premises, provided such is incident to and reasonably necessary for the operation and maintenance of the Premises as permitted pursuant to the terms of this Lease and is in compliance with applicable laws. Tenant shall not cause or allow a Release of a Hazardous Substance or solid waste in, on or under the Project.

Section 23.06. Property Transfer. If, as a result of Tenant's use of the Premises, Landlord is required to obtain approval by any governmental agency administering Environmental Statutes in order to: (i) change or transfer the ownership of the Project or the assets thereon; or (ii) cease or change part or all of the operations on the Project, Tenant shall, in compliance with all applicable requirements, at Tenant's sole cost and expense, apply for and obtain for Landlord the required approval and perform all remedial actions necessitated in whole or part by Tenant's activities at the Project. Tenant and Landlord shall cooperate as necessary to prepare any such application and represent and warrant that any such application made pursuant to this subsection shall be true and complete to the best knowledge, information and belief of each. If such a governmental approval requirement exists, but Tenant believes that it is not subject to such requirement, Tenant, at its sole cost and expense, shall obtain for Landlord a statement from the applicable governmental agency that the Project is not subject to such requirement.

<u>Section 23.07. Inspection.</u> Tenant agrees to permit Landlord and its authorized representatives to enter, inspect and assess the Premises at reasonable times for the purpose of determining Tenant's compliance with the provisions of this section of the Lease. Such inspections and assessments may include obtaining samples and performing tests of building materials, soil, surface water, groundwater or other media.

<u>Section 23.08.</u> Asbestos. The Tenant shall not install, apply, or otherwise use or introduce asbestos or any substance containing asbestos in or about the Premises. In the event that asbestos is located in the Building, Tenant shall comply with any Operations and Maintenance Program adopted by Landlord in connection therewith.

IN WITNESS WHEREOF, Landlord and Tenant have set their signatures and seals as of the date first above written.

## **LANDLORD**:

McLEAN COMMERCIAL CENTER PARTNERS L.P. a Virginia limited partnership

By: McLEAN COMMERCIAL CENTER, INC., General Partner

By:

Scott A. Stupay

Its:

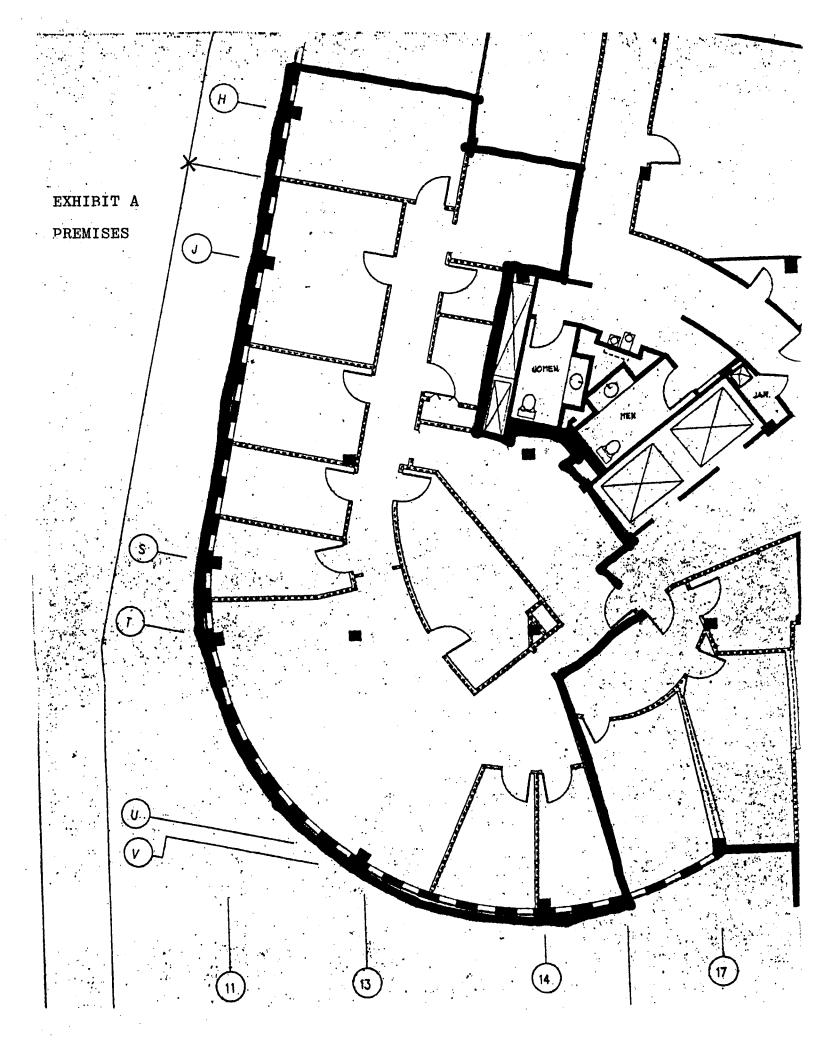
President

**TENANT:** 

DR. ROBERT JACOBS

EXHIBIT A

**PREMISES** 



## **EXHIBIT B**

## **LAND**

Beginning at a point on the Easterly right of way line of Ingleside Avenue, Route 1813, a public roadway of variable width, said point being North 41 degrees 55 minutes 00 seconds East for 0.26 feet from a P.K. nail found, said point being a corner to General Assets Incorporated and said point being the Southerly most corner of the herein described parcel. Thence with said right of way line, North 20 degrees 38 minutes 30 seconds West for 469.97 feet to a P.K. nail set. Thence North 50 degrees 56 minutes 31 seconds East for 18.00 feet to a drill hole set. Thence North 20 degrees 41 minutes 13 seconds West for 14.99 feet to a drill hole set. Thence with a curve to the right having a radius of 25.00 feet, a chord bearing and chord of North 30 degrees 57 minutes 55 seconds East for 32.74 feet, for an arc distance of 35.70 feet to a drill hole set on the Southerly right of way line of Old Dominion Drive, Route 309, a public roadway of variable width. Thence with said right of way line, South 60 degrees 14 minutes 00 seconds East for 444.73 feet to an iron rod found, a corner to Rucker Geo H Realty Corporation. Thence departing said right of way line and with Rucker Geo H Realty Corporation, in part, and thence with the aforementioned General Assets Incorporated, in part, South 41 degrees 55 minutes 00 seconds West for 366.80 feet to the point of beginning, passing over an iron rod found at 192.19 feet, and containing 2.0592 acres or 89,700 square feet.

## EXHIBIT C

## **FORM**

## FORM OF COMMENCEMENT NOTICE

McLean Commercial Center Partners L	entered into this day of, 199, by P., a Virginia limited partnership ("Landlord"), and			
(the "Lease") dated, certain space in the office building com	rsuant to the provisions of that certain Lease Agreement 199, by and between Landlord and Tenant covering monly known as McLean Commercial Center, Fairfax ms used herein with their initial letter capitalized shall ms in the Lease.			
W	ITNESSETH:			
The Building, the Premises, and furnished by Landlord in accordanc completed by the Landlord and accepte	and all other improvements required to be constructed e with the terms of the Lease have been satisfactorily d by the Tenant.			
2. The Premises have been de	livered to, and accepted by, the Tenant.			
3. The Commencement Date of and the Expiration Date is the d	of the Lease is the day of, 199, lay of, 199			
4. The Premises consist of	square feet of Net Rentable Area.			
5. The Base Rent is \$	per annum.			
6. Remittance of monthly insta first (1st) day of each month in accordan	Ilments and the foregoing payments shall be made on the nce with the terms and conditions of the Lease.			
	dlord and Tenant have set their hands and seals hereunto Notice to be executed by duly authorized officials thereof nereinabove.			
	LANDLORD: McLEAN COMMERCIAL CENTER PARTNERS L.P., a Virginia limited partnership			
	By: McLEAN COMMERCIAL CENTER, INC., General Partner			
	By: Scott Stupay			
	Its: President			
	TENANT:			
	XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX			

## EXHIBIT D

## **RULES AND REGULATIONS**

## **TENANT AGREES AS FOLLOWS:**

- 1. Sidewalks, doorways, vestibules, halls, stairways and similar areas shall not be obstructed by tenants or their officers, agents, servants and employees, or used for any purpose other than ingress and egress to and from the Premises and for going from one part of the Building to another part of the Building.
- 2. Plumbing fixtures and appliances shall be used only for the purpose for which constructed, and no sweepings, rubbish, rags or other unsuitable material shall be thrown or placed therein. The cost of repairing any stoppage or damage resulting to any such fixtures or appliances from misuse on the part of a tenant or such tenant's officers, agents, servants and employees shall be paid by such tenant.
- 3. No signs, posters, advertisements or notices shall be painted or affixed on any of the windows or doors, or other part of the Building, except of such color, size and style, and in such places, as shall be first approved in writing by the Building manager. No nails, hooks or screws shall be driven into or inserted in any part of the Building, except by Building maintenance personnel.
- 4. Tenants shall not do anything, or permit anything to be done, in or about the Building, or bring or keep anything therein, that will in any way increase the possibility of fire or other casualty or obstruct or interfere with the rights of, or otherwise injure or annoy, other tenants.
- 5. No birds, animals or reptiles, or any other creatures, shall be brought into or kept in or about the Building.
- 6. Landlord has the right to evacuate the Building in event of emergency or catastrophe.
- 7. Tenant and its employees, invitees, agents and the like shall only use the number of parking spaces permitted by the terms of the Lease. Landlord reserves the right to cause unauthorized vehicles to be towed from the Project.
- 8. Landlord reserves the right to rescind any of these Rules and Regulations and make such other and further rules and regulations not inconsistent with the express terms of the Lease as in the judgment of Landlord shall from time to time be needed for the safety, protection, care and cleanliness of the Building.
- 9. The Project shall at all times be "smoke free," and Tenant shall be responsible for causing its employees, agents, invitees, licensees, contractors and the like to refrain from smoking in or about the Project.

## **EXHIBIT E**

## **WORKLETTER**

Landlord shall provide the following Improvements within the Premises:

- 1. Re-paint the Premises with building standard paint, color to be selected by Tenant from building standard colors, subject to Landlord approval. The Training Room and 2 Exam Rooms shall be painted with a special low reflectivity paint, specification to be provided by Tenant.
- 2. Furnish and install new building standard carpet (Lee's "Best Regards", 30 oz.), color to be selected by Tenant, subject to Landlord approval. The carpet shall not have a pad and shall be glued directly to the concrete slab. Furnish and install new vinyl composition tile (VCT) in the bathroom and in an area under the chalkboard in the training room.
- 3. Furnish and install a new stain grade oak or mahogany suite entry door (3'  $\times$  8' or 3"  $\times$  7') with building standard chrome lockset lever hardware.
- 4. Replace any stained or damaged acoustical ceiling tiles.
- 5. Furnish and install a new paint grade door and locking hardware (keyed the same as the suite entry door) to the Dispensing Room.
- 6. Install a painted chair rail and vinyl wallcovering in the Reception Room. Tenant shall pay for materials.
- 7. Between July 1, 1999 and July 30, 1999, Landlord shall furnish and install new building standard acoustical ceiling tiles throughout the Premises.

Landlord shall not be obligated to provide any additional improvements in the Premises. Tenant shall be solely reponsible for all costs and expenses associated with any change order or additional work requested by Tenant.

## GARSON / JACOBS

CURRENT

LEASE COMMERCEMENT: FEBRUARY 10, 1990

TERM: 10 years FEB 10, 1990 to FEB. 28, 19 2000

4967.63 (Month) 59,611.50 (ANN) YEAR 1 RENT: 5116. 61, 399. YEAR 2 RENT: 5270· 63,241.84 YEAT 3 ROUT: 21. 38 5,428, 26 65, 139.10 YEAR 4 RESUT: YEAT 5 RENT: 67,093.27 5,591.11 21.95 24. 03 6,100.61 YEAR 6 RENT: 73,207.27 24 75 6,283.62 YEAT 7 RENT: 75, 403. 49 25. 49 6,472.13 YEAT 8 RENT: 77,665.59 YEAT 9 RENT: 79,995. 26. 25 6,666. 27.04 6,866. 82, 395. 43 YEAT 10 RENT!

3% ANNUAL INCREMSE EACH YEAR EXCEPT IN YEAR 6.
YEAR SIX INCREASE = YEAR 5 DASE YEAR + \$6,114.00 (509.50 × 12)

Howth 1-36 half mouth ADATED.

LANDLORD Provides build out Allowance of \$40,008. 50

LANDLORD Agrees to paint and Clean carpet After year 5

TENANT has TERMINATION Rights AFTER YEAR FIVE WITH NINE MONTHS HOTICE.

DATE OF TERMINATION	TETMINATION FOR
bno of year 5	\$55, 500. °C
bid of your 6	44,400,
bid of year 7	33, 300
END OF YEAR 8	22, 200.
bud of your 9	11/100.

BASE REPORT LIABILITY: July 1993 - FERENARY 2000 = \$499, 186. 67