
LEASE

SUNSET HILLS, LLC

LANDLORD

and

INTERNATIONAL BUSINESS MACHINES CORPORATION

TENANT

Dated: February 14, 2002

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BASIC LEASE INFORMATION

The following Basic Lease Information is attached to the Lease for reference and convenience only. The Basic Information is qualified in all respects by the applicable provisions of the Lease, and if there is a conflict between the Basic Lease Information and the provisions of the Lease, the provisions of the Lease shall control.

Date of Lease:	February <u>1</u> , 2002
Landlord:	Sunset Hills, LLC
Landlord Address:	801 Grand Avenue Des Moines, Iowa 50392
Tenant:	International Business Machines Corporation (IBM)
Tenant Address:	New Orchard Road Armonk, NY 10504
Building Address and Building Name, if any	11107 Sunset Hills Road Sunset Corporate Plaza I Reston, Virginia
Leased Premises:	Approximately 99,794 square feet of rentable area located on the first through sixth floors in the Building
Building:	Approximately 99,794 square feet of rentable area
First Refusal Additional Space:	ARTICLE 13
Option for More or Less Space:	ARTICLE 12

Term: The Term Commencement Date shall be February 1, 2002. Notwithstanding any provision in this Lease to the contrary, including the dating of the Lease on page two (2) hereof, the Term shall be Ten (10) years and three (3) months commencing on the Term Commencement Date and ending April 30, 2012. Additionally, notwithstanding any provision in this Lease to the contrary, including the dating of the Lease on page two (2) hereof, under all circumstances, the "Rent Commencement Date" shall be May 1, 2002 provided, as set forth in Section 4.01, the Fixed Rent attributable to the second floor of the Leased Premises (computed at the annual rate of \$23.23 per square foot) shall not commence until August 1, 2002. Accordingly, the monthly Fixed Rent from the Rent Commencement Date until July 31, 2002 shall be \$155,147.36.

Early Termination: ARTICLE 3

Options to Extend: One Five (5) year option

Tenant's Share: One Hundred Percent (100%) of the Building

Annual Fixed Rent: As set forth in Section 4.01, computed at the rate of \$23.23 per square foot of rentable area to be increased annually at a rate of three percent (3%) per annum on each anniversary of the Rent Commencement Date (i.e. May 1, 2002).

Service of Notices: By personal delivery, registered or certified mail, or by express mail, as set forth in ARTICLE 18 of the Lease.

INDEX OF DEFINED TERMS

When the initial letter of a word in this Lease (including any EXHIBIT or other attachment to the Lease) is capitalized, but is not listed below as a defined term, such word shall be given the meaning assigned to it in this Lease.

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LEASE

PARTIES

THIS LEASE, made as of February 1, 2002, between Sunset Hills, LLC, a Delaware limited liability company, having an office at 801 Grand Avenue, Des Moines, Iowa, hereinafter called "Landlord," and International Business Machines Corporation, a New York corporation, having its principal office at New Orchard Road, Armonk, New York 10504, hereinafter called "Tenant"

ARTICLE ONE

DEFINITIONS/RULES OF INTERPRETATION

RULES OF INTERPRETATION. This Lease shall be strictly construed neither against Landlord or Tenant, Landlord and Tenant hereby agreeing that both parties have participated fully and equally in the preparation of this Lease and that legal counsel was consulted by each before each signed and delivered a counterpart of this Lease to the other party; except as otherwise expressly provided in this Lease and its Exhibits and other attachments, the singular includes the plural and the plural includes the singular; "or" is not exclusive; a reference to an agreement or other contract includes supplements and amendments thereto to the extent permitted by this Lease; accounting provisions have the meanings assigned to them by generally accepted accounting principles and practices applied on a consistent basis; the words "such as," "include," "includes" and "including" are not limiting; except as specifically agreed upon in this Lease, any right may be exercised at any time and from time to time and all obligations are continuing obligations throughout the Term; in calculating any time period, the first day shall be excluded and the last day shall be included; all days are calendar days unless otherwise specified and a "business" day is a calendar day except for Saturdays, Sundays, Holidays and work days canceled because of inclement weather or edict of a Governmental Authority; the words "Affiliated Person of Landlord" mean a Person, directly or indirectly, through one or more intermediaries, controlled by Landlord or under common Control with Landlord; the words "Affiliated Person of Tenant" mean a Person, directly or indirectly, through one or more intermediaries, controlled by Tenant or under common Control with Tenant; the word "Control" means with respect to a Person, the right to exercise, directly or indirectly, whether through voting shares or otherwise, the power to direct or cause the direction of the management and policies of the controlled Person; the word "Person" means an individual, partnership, trust, corporation, firm, or other entity, including its permitted assigns and successors; and the words "Excusable Delay" means any delay due to strikes, lockouts or other labor or industrial disturbance, civil disturbance, future order of any government, court or regulatory body claiming jurisdiction; act of the public enemy; war, riot, sabotage, blockade or embargo; failure or inability to secure materials, supplies or labor through ordinary sources by reason of shortages or priority or similar regulation or order of any government or regulatory body; lightning, earthquake, fire, storm, hurricane, tornado, flood, washout or explosion, or act or omission of one party hereto which prevents the party claiming delay from complying, or which materially and adversely interferes with the claiming party's ability to comply with an obligation under this Lease on its part to be performed.

ARTICLE TWO

PREMISES

Section 2.01. LEASE OF LEASED PREMISES. Landlord hereby leases to Tenant, and Tenant hereby leases from Landlord, upon and subject to the covenants, agreements, provisions and conditions of this Lease, the Leased Premises located in the building (the "Building") located at the street address of 11107 Sunset Hills Road, Reston, Virginia, and known by the name "Sunset Corporate Plaza I" ("Building Name"), situated on a parcel of land (the "Land") described on EXHIBIT G. The Land, Building, Leased Premises, Common Building Facilities, Building Service Systems and Leased Premises Service Systems are collectively referred to in this Lease as the "Project."

Section 2.02. LEASED PREMISES.

(a) The "Leased Premises" shall mean space located on the first through sixth floors of the Building, as shown on EXHIBIT A together with such additional space as Tenant may lease in the Building pursuant to any provisions of this Lease (when added to the Leased Premises). Landlord and Tenant acknowledged that the actual rentable area of the Leased Premises is 99,794 square feet (which is the entire actual rentable area of the Building) in accordance with the Building Owners and Managers Association International's Standard Method for Measuring Floor Area in Office Buildings dated June 7, 1996 as approved by American National Standards Institutes, Inc. (ANSI/BOMA 265.1 -1996).

Section 2.03 COMMON BUILDING FACILITIES. This Lease includes the non-exclusive right of Tenant to use the Common Building Facilities in common with other tenants of the Building. The words "Common Building Facilities" shall mean all of the facilities in or around the Project designed, intended and designated by Landlord, for use by the tenants of the Building in common with Landlord and each other including, but not limited to, corridors; elevators; fire stairs; aisles; walkways; truck docks; plazas; parking areas and facilities, service areas; lobbies; landscaped areas, as shown on EXHIBIT A-2.

ARTICLE THREE

TERM

Section 3.01. INITIAL TERM. Tenant shall lease the Leased Premises for an initial term of ten (10) years and three (3) months (the "Initial Term") to commence on the Term Commencement Date (defined in Section 5.02), which is February 1, 2002, and end on April 30, 2012, subject to extension and earlier termination as hereinafter provided. If the Initial Term commences on a date other than the first day of a month, it shall expire at the end of the day ten (10) years and three (3) months from the last day of the month in which it commenced. If the Initial Term commences on the first day of a month, it shall expire at the end of the day ten (10) years and three (3) months from the last day of the preceding month. The parties shall enter into

a "Supplemental Agreement", in the form marked EXHIBIT B-1, setting forth the commencement and expiration dates of the Initial Term.

Section 3.02 EXTENDED TERM. Tenant shall have the one time option to extend the term of this Lease for the Leased Premises for an additional five (5) year term (an "Extended Term") provided that both at the time of the exercise of the option hereinafter set forth and at the time of commencement of the Extended Term (as hereinafter defined) this Lease (i) is in full force and effect and no Event of Default exists hereunder, and (ii) Tenant is in possession of one hundred percent (100%) of the Leased Premises for the purpose of conducting business and has not assigned or sublet any portion of this Lease or the Leased Premises to a Person which is not an Affiliated Person of Tenant. Such option shall be exercised by written notice (the "Renewal Notice") to Landlord given at least twelve (12) months but no more than fifteen (15) months prior to the expiration of the Initial Term. The Extended Term shall commence at the expiration of the Initial Term. In the event that Landlord does not receive the Renewal Notice prior to the expiration of such time period (time being of the essence with respect thereto), then such option to renew the Lease Term shall, upon the expiration of such time period, become null and void and be of no further force or effect and Tenant, shall, at the request of Landlord, execute an instrument in form and substance reasonably acceptable to Landlord confirming such facts. The Extended Term shall be upon the same covenants, agreements, provisions and conditions that are contained herein for the Initial Term, except as expressly provided herein to the contrary and except for provisions that are inapplicable to an Extended Term. The Fixed Rent during the Extended Term shall be at an annual rate equal to ninety five percent (95%) of the then current fair market renewal rental rate for comparable space in comparable office buildings in Reston, Virginia, taking into account an adjustment of the Operating Expense Base Year and the Real Estate Tax Base Year (the "FMR"). The FMR shall be determined by Landlord and Tenant by mutual agreement; however, if Landlord and Tenant cannot agree in writing on the FMR within ten (10) business days after Tenant's Renewal Notice, the FMR shall be determined by the Three Broker Method set forth below. Tenant shall have no option to renew this Lease beyond the expiration of the Extended Term, and the Leased Premises, subject to any other obligation of Landlord under this Lease, shall be delivered to Tenant in their existing condition (on an "as is" basis) at the time the Extended Term commences.

"Three Broker Method" shall operate as follows: The FMR shall be based upon one hundred percent (100%) of the current fair market rental rate for comparable space in comparable office buildings in Reston, Virginia, which shall be determined by a board of three (3) licensed real estate brokers, one of whom shall be named by Landlord, one by Tenant and the two so appointed shall select a third broker, who shall not have been employed by either Landlord or Tenant within the three (3) year period prior to such appointment. Each member of the board shall be licensed in Virginia as a real estate broker, specializing in the field of commercial office leasing in the Northern Virginia area of Virginia, having no less than ten (10) years' experience in such field, and recognized as ethical and reputable within the field. In the event Landlord and Tenant do not mutually agree on the FMR, Landlord and Tenant shall make their appointments within five (5) business days after expiration of the period provided for Landlord and Tenant to agree on the FMR. The two (2) brokers selected by Landlord and Tenant shall select the third broker within five (5) business days after they both have been appointed, and each broker, within fifteen (15) days after the third broker is elected, shall submit his or her

determination of the FMR. The FMR shall be the determination of the broker that is not the highest or the lowest (or, if two brokers reach an identical determination, the determination of such two brokers). Landlord and Tenant shall each pay the fee of the brokers selected by it, and they shall equally share the payment of the fee of the third broker.

The FMR shall be the Fixed Rent with respect to the Leased Premises during the first year of the Extended Term and shall thereafter escalate during such Extended Term on each subsequent anniversary of the commencement of the such Extended Term during the remainder of the Extended Term at the then current fair market rate of escalation for comparable space in comparable office buildings in Reston, Virginia, as determined by the Three Broker Method.

Section 3.03. EARLY TERMINATION. Tenant may, at its option, terminate this Lease and the Term on (i) April 30, 2007 (the "First Early Termination Date") by giving Landlord at least twelve (12) months prior written notice of Tenant's intention to terminate on the First Early Termination Date (the "First Early Termination Notice") and making payment no later than eleven (11) months after the First Early Termination Notice (the "First Termination Fee Payment Date") of an early termination fee (the "First Termination Fee") equal to Two Million Two Hundred Eighty Eight Thousand Four Hundred Forty One and 00/100 Dollars (\$2,288,441.00), which First Termination Fee shall be earned and incurred upon the giving of the First Early Termination Notice but not payable until the First Termination Fee Payment Date; provided that both at the time of the First Early Termination Notice and at the First Early Termination Date this Lease is in full force and effect and no Event of Default exists hereunder; or (ii) April 30, 2009 (the "Second Early Termination Date") by giving Landlord at least twelve (12) months prior written notice of Tenant's intention to terminate on the Second Early Termination Date (the "Second Early Termination Notice") and making payment no later than eleven (11) months after the Second Early Termination Notice (the "Second Termination Fee Payment Date") of an early termination fee (the "Second Termination Fee") equal to One Million Seventy Seven Thousand Three Hundred Thirty Four and 63/100 Dollars (\$1,077,334.63), which Second Termination Fee shall be earned and incurred upon the giving of the Second Early Termination Notice but not payable until the Second Termination Fee Payment Date; provided that both at the time of the Second Early Termination Notice and at the Second Early Termination Date this Lease is in full force and effect and no Event of Default exists hereunder. If requested by Tenant on or after the First Early Termination Date or the Second Early Termination Date, as applicable, the parties shall enter into a cancellation and release agreement, in a form substantially in the form of EXHIBIT B-2, confirming the end of the Term. So long as Tenant has complied with all requirements of this Section this Lease and the Term shall come to an end on the First Early Termination Date or the Second Early Termination Date, as applicable, with the same force and effect as if the Term was, in and by the provisions hereof, fixed to expire on such date and not on the date agreed upon in this Lease. In the event that Landlord does not receive the First Early Termination Notice together with payment of the First Termination Fee within the time periods provided for in this Section (time being of the essence with respect thereto), then, at the election of Landlord, such option to terminate the Lease at the First Termination Date shall, upon the expiration of such time period, become null and void and be of no further force or effect. In the event that Landlord does not receive the Second Early Termination Notice together with payment of the Second Termination Fee within the time periods provided for in this Section (time being of the essence with respect thereto), then, at the election of Landlord, such option to

terminate the Lease at the Second Termination Date shall, upon the expiration of such time period, become null and void and be of no further force or effect. Tenant, shall, at the request of Landlord, execute an instrument in form and substance reasonably acceptable to Landlord confirming such facts.

Section 3.04. TERM OF THIS LEASE. The word "Term" shall mean the Initial Term and any Extended Term which may become effective.

ARTICLE FOUR

FIXED RENT AND ADDITIONAL RENT

Section 4.01. FIXED RENT. Commencing on the Rent Commencement Date and subject to the provisions of this Lease, Tenant shall pay the basic annual rent (the "Fixed Rent") in equal monthly installments in accordance with the following schedule:

<u>Months</u>	<u>Annual Rent</u>	<u>Monthly Rent</u>	<u>Annual Rent Per Square Foot</u>
1-3	\$2, 318,214.62 (less rent attributable to second floor of Leased Premises)	\$155,147.36	\$23.23 (not including square footage of second floor of Leased Premises)
4-12	\$2,318,215.62	\$193,184.55	\$23.23
13-24	\$2,387,761.06	\$198,980.09	\$23.93
25-36	\$2,459,393.91	\$204,949.49	\$24.65
37-48	\$2,533,175.76	\$211,097.98	\$25.39
49-60	\$2,609,170.92	\$217,430.91	\$26.15
61-72	\$2,687,446.08	\$223,953.84	\$26.93
73-84	\$2,768,069.52	\$230,672.46	\$27.74
85-96	\$2,851,111.56	\$237,592.63	\$28.57
97-108	\$2,936,644.92	\$244,720.41	\$29.43
109-120	\$3,024,744.24	\$252,062.02	\$30.31

Rent for any period of less than one month shall be apportioned based on the number of days in that month. Tenant will pay the Fixed Rent and Additional Rent to Principal Life Insurance Company c/o First Tennessee Bank, P.O. Box 1000, Department 149, Memphis, TN 38148 or to such other person or at such other place as Landlord may designate in writing. Tenant may make all Fixed Rent, Additional Rent and other payments due and owing by Tenant under this Lease by wire transfer. Each party, at its own expense, will provide and maintain, itself or through a third party, the equipment, software, and services necessary to effectively and reliably send and receive these by wire transfers.

Section 4.02. EXTENDED TERM FIXED RENT. The Fixed Rent for the Extended Terms shall be determined in the manner set forth in Section 3.02.

Section 4.03. ADDITIONAL RENT. In addition to Fixed Rent, Tenant shall pay Additional Rent which shall mean all sums of money payable by Tenant under this Lease other than Fixed Rent.

Section 4.04. OPERATING EXPENSES. Tenant shall pay, as Additional Rent, Tenant's Share of the amount by which the annual Operating Expenses for each Operating Expense Escalation Year exceed the Operating Expenses for the Operating Expense Base Year.

(a) The words "Operating Expense Base Year" shall mean calendar year 2002 and for the Extended Term shall mean the first full calendar year of the Extended Term, if applicable.

(b) The words "Operating Expense Escalation Year" shall mean each calendar year, commencing with the first full calendar year after the Operating Expense Base Year. Any increase of Operating Expenses for any calendar year during the Term shall be apportioned so that Tenant shall pay Tenant's Share of only that portion of the increase for such year which falls within the Term..

(c) The words "Tenant's Share" shall mean one hundred percent (100%), determined by dividing 99,794 square feet of rentable area in the Leased Premises by 99,794 square feet of rentable area in the Building. Tenant's Share shall be adjusted to reflect any change in the square feet of rentable area in the Leased Premises or in the Building in accordance with the provisions of this Lease.

(d) The words "Operating Expenses" shall mean the operating costs specified below in Paragraph A which are actually incurred by Landlord in the Operating Expense Base Year and in an Operating Expense Escalation Year, to the extent such operating costs are properly allocable (in accordance with generally accepted accounting principles and practices consistently applied) to the operation, repair and maintenance of the commercial office space located within the Project. Any cost allocable to the items specified below in Paragraph B, and any costs incurred within or allocated to the period after the expiration or earlier termination of the Term shall be excluded from Operating Expenses.

A. ITEMS INCLUDED IN OPERATING EXPENSES:

(1) salaries, wages, fringe benefits and all other expenses incurred for the employment of the Building operating personnel, excluding Landlord's officers and partners, general partnership overhead and off-site headquarters staff, but including the Building manager (or applicable portion thereof, if not full time) and engineer;

(2) the cost of materials and supplies such as lavatory and cleaning supplies;

(3) the cost of replacements for tools and maintenance equipment (such equipment shall not include air conditioning equipment, boilers, elevators or any items of a capital nature; all tools and maintenance equipment purchased during the first year of full occupancy of the Building shall be considered capital items);

(4) amounts paid by Landlord to independent contractors for services (including full or part-time labor) and materials;

(5) water and sewer charges;

(6) the cost of repainting or otherwise redecorating any part of Common Building Facilities;

(7) the cost of telephone service, postage, office supplies, maintenance and repair of office equipment and similar charges related to operation of the Building;

(8) premiums for insurance purchased by Landlord pursuant to Subsection 20.02(a), subject to Paragraph B, subparagraph (11) below;

(9) management fees to the extent not in excess of management fees customarily charged for similar commercial office buildings in the Reston, Virginia area;

(10) all costs and expenses (other than those of a capital nature) of maintaining, repairing and replacing paving, curbs, walkways and landscaping;

(11) the cost of electricity and fuel used by tenants and the Common Building Facilities;

(12) the cost of normal maintenance of mechanical and electrical equipment, including heating, ventilating and air conditioning and elevator equipment, but excluding capital expenditures;

(13) any and all other maintenance, repairs and/or non-capital replacements to the Project reasonably deemed necessary or prudent by Landlord during the Term and which are customarily incurred operating expenses for similar buildings in the Reston, Virginia area.

Operating Expenses shall be reduced by the amounts of any rebate, refund or credit received or receivable by Landlord from the payee thereof with respect to any item of Operating Expenses. If any such rebate, refund or credit is received or receivable by Landlord in a later Operating Expense Escalation Year, it shall be applied against the Operating Expenses for such later Operating Expense Escalation Year; and, if the Term has expired, Tenant's Share of such item shall be promptly refunded by Landlord to Tenant. This provision shall survive the expiration or earlier termination of the Term. To the extent the Project is part of a larger project or development, Landlord shall reasonably allocate to the Project an appropriate portion of those Operating Expenses that are incurred with respect to the larger project as a whole. By way of example, landscaping costs for a multi-building project shall be allocated on an appropriate basis between all buildings in the project.

B. ITEMS EXCLUDED FROM OPERATING EXPENSES:

(1) the cost of any work (including the cost of permits, licenses and inspections) performed (such as preparing space for occupancy, including painting and decorating) or services provided (such as separately metered electricity) for any tenant (including Tenant) at such tenant's cost, or furnished by Landlord without charge as an inducement to lease (such as free rent, decorations, painting, or improvement allowances);

(2) the cost of constructing, installing, operating and maintaining any specialty service or facility, such as an observatory, broadcasting facility, restaurant, luncheon club, retail space, sundry shop, newsstand, concession, or athletic or recreational club, or the costs associated with services or benefits (such as beautifying or maintaining a plaza, cafeteria or dining facility, parking area, terrace or balcony) not offered or available to Tenant;

(3) the cost of latent defects and the cost of correcting defects in construction after renovation of the Building (or any space therein) or the Building Systems, removal of asbestos-containing material, costs to comply with Law covering the disabled, and cost of work resulting from violation of the Law, including penalties, interest and fines;

(4) salaries, wages, fringe benefits and other expenses for Landlord's officers and partners, general partnership, corporate overhead or off-site staff, other than Landlord's Building engineer and manager, except as included in Paragraph A, subparagraph (9);

(5) the cost of any work performed for or service provided to any tenant of the Building to a materially greater extent or in a materially more favorable manner than that furnished generally to the other tenants and occupants (such as electricity and cleaning services provided to retail tenants);

(6) the cost of any work performed or service provided (such as electricity) for any facility other than the Building (such as a garage facility or shuttle service) for which fees are charged or other compensation received;

(7) the cost of any items for which Landlord is reimbursed by insurance proceeds, condemnation awards or other tenants of the Project (other than through reimbursement of Operating Expenses) the cost to replace or repair uninsured items if landlords of other first class office complexes customarily purchase insurance covering such items, and the cost of insurance deductibles;

(8) the cost of any material changes or additions to the Project (such as the addition of a garage, tower, floor, or renovated lobby area);

(9) the cost of any repairs, alterations, additions, changes, tools, equipment, replacements and the like which under generally accepted accounting principles and practices are properly classified as capital expenditures;

(10) the cost of any repair or replacement made in accordance with ARTICLES TWENTY and TWENTY-ONE of this Lease entitled, respectively, "FIRE AND OTHER CASUALTY - INSURANCE" and "CONDEMNATION";

(11) increased insurance premiums to the extent any tenant causes Landlord's existing insurance premiums to increase or requires Landlord to purchase additional insurance;

(12) costs associated with financing or refinancing the Project or personal property associated therewith and interest, principal and amortization payments on any debt, bad debt loss, points and financing fees, cost to service a loan, depreciation, or rental under any ground lease or other underlying lease, and interest, fines or penalties incurred by reason of Landlord's failure to perform an obligation hereunder;

(13) real estate brokerage commissions, legal fees, moving expenses, design or engineering fees, rental concessions or credits, allowances, lease assumptions, lease cancellation fees or other costs incurred in procuring tenants or other occupants, or any fee in lieu of commissions;

(14) advertising, promotional and marketing expenses;

(15) any compensation representing an amount paid to an Affiliated Person of Landlord which is in excess of the amount which would have been paid in the absence of such relationship;

(16) payments for rented items, the cost of which would constitute a capital expenditure if the equipment were purchased;

(17) expenses for repairs or maintenance which are covered by warranties, guarantees or service contracts (excluding any mandatory deductibles customarily negotiated by landlords of other first class office complexes), and any reserves for repairs, maintenance or replacement;

(18) legal expenses arising out of the financing, construction, leasing and subleasing of the Project and costs associated with the enforcement of the provisions of any lease, including this Lease, or other agreement affecting the Project except agreements related to Operating Expenses or operation or maintenance of any portion of the Project, and claims, disputes, issues concerning interpretation of documents relating to such agreements, in each case including the costs of settlement, collection and court and arbitration proceedings;

(19) costs incurred to upgrade the Building systems or Common Building Facilities to comply with environmental, health and safety Law and Law covering the disabled existing and effective as of the date of this Lease;

(20) costs of overtime or other costs incurred by Landlord to cure Landlord's Default hereunder or the default of a tenant, or incurred by reason of the misconduct or negligence of Landlord or a tenant or their respective agents, invitees, employees or contractors, including

costs associated with death or injury to persons, damage to or loss of property, or use of deficient building materials;

(21) any costs associated with financing or refinancing the transfer of an interest in the Project or in Landlord, transactional costs of a change in ownership of the Project, or related costs;

(22) costs incurred with respect to any violation of an environmental law other than by Tenant or Tenant's agents, invitees, employees or contractors;

(23) costs for which Landlord has been compensated by a management fee;

(24) costs resulting from charitable or political contributions, and the cost to acquire sculptures, paintings or other art objects except insurance premiums to purchase insurance coverage therefor.

Section 4.05. REAL ESTATE TAXES.

(a) Landlord shall pay when due all real estate taxes, assessments, excises and other governmental charges which are general or special, ordinary or extraordinary, foreseen or unforeseen, of any kind or nature whatsoever, and which shall be levied, charged, imposed or assessed or which become liens upon the Project (the "Real Estate Taxes"). Tenant shall pay Landlord, as Additional Rent, Tenant's Share of the amount by which the Real Estate Taxes for each Real Estate Tax Escalation Year exceed the Real Estate Taxes for the Real Estate Tax Base Year.

(b) Real Estate Taxes shall not include income tax, tax on rents or rentals, excess profits or revenue, gross receipts, sales or transaction taxes, excise tax or inheritance tax, gift tax, gains tax, franchise tax, corporation tax, capital levy transfer, estate, succession or other similar tax or charge that may be payable by or chargeable to Landlord under any present or future Law or any interest or penalties imposed upon Landlord for late payment of Real Estate Taxes;

(c) The words "Real Estate Tax Base Year" shall mean calendar year 2002 and for the Extended Term shall mean the first full calendar year of the Extended Term, if applicable.

(d) The words "Real Estate Tax Escalation Year" shall mean each calendar year after the Real Estate Tax Base Year.

(e) If the Project is not taxed as a separate and independent tax lot, Landlord shall pay the taxes assessed against the entire tax lot of which it is part and the taxes assessed against the said tax lot of which it is part shall be equitably apportioned.

(f) The increase in Real Estate Taxes that Tenant is obligated to pay hereunder shall be the amount of Real Estate Taxes finally determined to be legally payable by legal proceedings or otherwise and paid by Landlord. Any increase in Real Estate Taxes during the Term shall be apportioned so that Tenant shall pay Tenant's Share of only that portion of the increase in Real

Estate Taxes that falls within the Term. If allowed by Law, Landlord shall pay Real Estate Taxes in installments.

(g) Any incentives or abatements of Real Estate Taxes which are received by or credited to Landlord shall be credited to Real Estate Taxes.

Section 4.06. COMPUTATION AND BILLING.

(a) (1) Landlord and Tenant agree that Tenant's Share of Operating Expenses for the Operating Expense Base Year is included in the Fixed Rent. At least thirty (30) days prior to the beginning of the second calendar year and each calendar year thereafter (including partial years) during the Term, Landlord shall furnish Tenant with a statement (the "Expense Statement") setting forth the Landlord's reasonable estimate of the Operating Expenses for such calendar year and Tenant's Share thereof. If in the Expense Statement, the Landlord estimates that Operating Expenses for the applicable calendar year will be more than the Operating Expenses for the Operating Expense Base Year, Tenant shall pay on the first business day of each month during such second or following calendar year an amount equal to one-twelfth ($1/12^{\text{th}}$) of the Tenant's Share of the excess of the over the Operating Expense for the Operating Expense Base Year estimated Operating Expenses shown on the Expense Statement.

(2) Landlord may not always be able to furnish a new Expense Statement prior to the year covered by the new Expense Statement as required by subparagraph (1). If Landlord shall furnish the Expense Statement after the beginning of the calendar year covered by the Expense Statement then, until the first day of the first month which is at least thirty (30) days following the date Tenant receives that Expense Statement (the "Payment Date"), Tenant shall continue to pay Landlord the same monthly sum for Tenant's share of Operating Expenses then being paid by Tenant pursuant to this Lease for the previous calendar year. Landlord shall notify Tenant in the new Expense Statement whether the sum of estimated Operating Expenses paid by Tenant during the period between the end of the prior calendar year and date of the new Expense Statement is greater or less than the estimated monthly payments to be made in accordance with the new Expense Statement. If there is a deficiency, Tenant shall pay the lump sum amount thereof to Landlord on the Payment Date. If there was an overpayment, Landlord shall promptly refund the same to Tenant on the Payment Date, or Landlord shall credit the amount of overpayment against Tenant's Share of estimated Operating Expenses and Tenant shall not be obligated to make such payments until the overpayment is fully credited. On the Payment Date, and on the first business day of each month thereafter until the Payment Date with respect to the next Expense Statement, Tenant shall pay Landlord an amount equal to one-twelfth ($1/12^{\text{th}}$) of Tenant's Share of the estimated increase in Operating Expenses shown on the Expense Statement over the Operating Expense Base Year.

(b) Within one hundred twenty (120) days following the last day of the second calendar year and each calendar year thereafter, Landlord shall furnish Tenant a statement for the prior calendar year certified by Landlord or Landlord's management agent, setting forth the actual Operating Expenses for the prior calendar year, Tenant's Share thereof, copies of any and all Real Estate Tax bills with respect to the Project for that year. Within twenty (20) business days after receiving the Expense Statement and copies of Real Estate Tax bills for such year, (A)

Tenant shall pay Landlord the amount by which (i) Tenant's Share of the excess of actual Operating Expenses for the year covered by the Expense Statement over the Operating Expense for the Operating Expense Base Year exceeds (ii) the estimated monthly installments of Operating Expenses actually paid by Tenant during such year, or (B) if Tenant overpaid, Landlord shall promptly refund or credit the overpayment to Tenant as agreed upon above; provided that if Tenant has overpaid by more than five percent (5%), the refund or credit to Tenant shall include interest on the amount of the overpayment in excess of five percent (5%) at the Interest Rate, determined as of the date of each overpayment and accruing from the date of each overpayment to the date of refund or credit by Landlord.

(c) If the Term Commencement Date occurs on a date other than the first day of a calendar month, or the Term expires on a date prior to the end of a calendar month, the monthly installments payable under paragraphs (a) and (b) for the fractional months shall be appropriately prorated based upon a thirty (30) day month.

(d) Tenant may, at Tenant's sole cost and expense, audit Landlord's books and records relating to the computation of Operating Expenses and Real Estate Taxes and Tenant's Share of Operating Expenses and Real Estate Taxes for any year or portion thereof that falls within the Term. Tenant may conduct an audit no more than once each calendar year within 180 days of receipt of the Expense Statement; provided with respect to the computations for the last year of the Term (including a partial year) Tenant may conduct an audit pursuant to this Section with respect to the Expense Statement for Operating Expenses not more than once within eighteen (18) months after the later to occur of the expiration or earlier termination of the Term or the date Tenant receives such Expense Statement and Tenant may conduct an audit pursuant to this Section with respect to the Expense Statement for Real Estate Taxes not more than once within twenty four (24) months after the later to occur of the expiration or earlier termination of the Term or the date Tenant receives such Expense Statement. Landlord agrees that it will make available to Tenant and its designated auditors, at Landlord's or Landlord's management agent's office during business hours, all appropriate books and records, or copies thereof in Landlord's or Landlord's Management Agent's possession, required for the performance of the audit; provided Landlord shall be required to possess or cause Landlord's management agent to possess all books and records of Operating Expenses and Real Estate Taxes customarily maintained with respect to the management of similar buildings in Reston, Virginia. Tenant's access to these books and records may be restricted to periods of time during which Landlord does not reasonably require access to them in connection with the operation or management of the Project. If any audit reveals that the Operating Expenses or Real Estate Taxes or Tenant's Share thereof for a period of time during the Term have been incorrectly computed, and if Landlord agrees with such audit, Landlord and Tenant shall make appropriate reconciliation payments, in cash, between themselves based on the correct amount of Operating Expenses or Real Estate Taxes for such period. If Landlord does not agree with the audit results of Tenant's designated auditor, Landlord and Tenant shall endeavor to resolve any differences (failing which, such dispute shall be resolved by a third-party CPA selected by the parties or, failing agreement, appointed by the American Arbitration Association or any recognized successor thereto upon application by either party). Such third-party CPA shall make an independent audit, the results of which shall be binding on Landlord and Tenant, and the parties shall make any necessary adjustments in accordance with such third-party CPA audit. Except as otherwise expressly

provided below, Tenant shall pay all costs and expenses of Tenant's audit. In addition, Tenant shall be responsible for the costs incurred in connection with the third-party CPA unless such audit discloses that the amounts paid by Tenant to Landlord for the year in question exceeds the amounts to which Landlord was entitled by more than five percent (5%), in which event Landlord shall promptly reimburse Tenant for the reasonable costs and expenses incurred in connection with Tenant's audit and such third audit. Landlord agrees to make the appropriate adjustment to Tenant's expenses in accordance with the auditor's findings.

(e) If during the Term the Building is not substantially occupied (which shall mean occupancy of ninety-five percent (95%) of the square feet of rentable area of the commercial office space in the Building), or if by reason of partial operation of the Building all variable Operating Expenses for a calendar year (including a partial year) have not been incurred, variable Operating Expenses shall be adjusted for that year to an amount which Landlord estimates, in Landlord's reasonable judgment, would have been incurred had the Building been substantially occupied and in full operation during that year. The Expense Statement shall identify the occupancy percentage of the Building by month. By way of example and not limitation, variable Operating Expenses include utilities, supplies, trash removal, janitorial services, repairs and extermination.

(f) The words "Interest Rate" shall mean three percent (3%) above the prime rate reported by The Wall Street Journal on the date such payment was made.

(g) If Tenant has not received the Expense Statement by the end of twelve (12) months following the calendar year in which the Operating Expenses or Real Estate Taxes are payable by Landlord, Landlord agrees that Landlord has waived its claim against Tenant for Tenant's Share of any increase in Operating Expenses and Real Estate Taxes for that year.

(h) This ARTICLE shall survive the expiration or earlier termination of the Term.

Section 4.07. TAX CONTEST.

If Landlord shall receive a reduction or refund (by reason of reimbursement, credit, abatement or otherwise) for any year for which Tenant shall be obligated to pay or shall have paid Tenant's Share of an increase in Real Estate Taxes, the amount of such reduction or refund, net of reasonable attorneys' fees and other reasonable expenses incurred by Landlord in connection with the protest, shall be subtracted from the Real Estate Taxes payable or paid by Landlord for the tax year to which the reduction or refund applies and proper reimbursement shall be made by Landlord to Tenant for prior overpayments made by Tenant promptly after Landlord receives or is credited with such refund or reduction. If Landlord receives a reduction or refund following the end of the Term, this paragraph shall survive the end of the Term. Landlord agrees to keep Tenant apprised of all tax protest filings and proceedings undertaken by Landlord or others to obtain a tax reduction or refund for the Project for the period comprising the Term, whether protested during or following the end of the Term.

ARTICLE FIVE

CONSTRUCTION

Section 5.01. CONSTRUCTION. Tenant shall accept the Premises in their "AS IS" condition provided Landlord at its cost shall provide three (3) suite entry doors on the first floor of the Leased Premises in accordance with plans and specifications to be agreed upon by Landlord and Tenant. Tenant may make the improvements to the Premises as set forth in EXHIBIT C , which is attached hereto and made a part hereof by reference (the "Work"). The total cost for the Work including, but not limited to space planning, construction drawings, the actual construction and construction management is to be paid by Tenant provided Landlord shall reimburse Tenant for the actual cost of the Work incurred during the first three years of the Initial Term up to a maximum amount of One Million Two Hundred Ninety Seven Thousand Three Hundred Twenty Two Dollars (\$1,297,322.00) (\$13.00 per rentable square foot of the Leased Premises) ("Allowance") as provided in EXHIBIT C. In the event the total cost of the Work exceeds the Allowance, Tenant shall pay such costs as they become due and payable. Trammell Crow Management Services, Inc. shall be the construction manager for the Work and shall receive a construction management fee of four percent (4%) of the cost of the Work provided Tenant may elect to use its own construction manager in which event Tenant shall pay to Trammell Crow Management Services, Inc. a fee for oversight review and approval of the Work in the amount of two percent (2%) of the cost of the Work. So long as fifty percent (50%) of the Allowance has been spent on the cost of the Work, in the event that the total cost of the Work is less than the Allowance, Tenant may be entitled to utilize the remainder of the Allowance as a credit toward the Fixed Rent or as reimbursement for furniture, cabling and move related expenses.

Section 5.02. TERM COMMENCEMENT DATE. The words "Term Commencement Date" shall mean February 1, 2002 provided Landlord delivers possession of the Leased Premises to Tenant, free of all tenants and occupants.

ARTICLE SIX

SERVICES

Section 6.01. SERVICES PROVIDED BY LANDLORD.

(a) Landlord shall, at its expense and subject to Section 4.04, furnish to Tenant the following services, utilities, supplies and facilities:

(1) Access to the Leased Premises twenty-four (24) hours a day, seven (7) days a week by a card access system that shall also provide access to the Building garage. Landlord shall provide Tenant three hundred (329) access cards initially and up to thirty three (33) replacement cards per calendar year at no cost. Additional access cards shall be provided at Landlord's costs.

(2) Passenger elevator service twenty-four (24) hours a day, seven (7) days a week and freight elevator service reasonably required by Tenant.

(3) (i) Heat, ventilation and air conditioning ("HVAC") in accordance with EXHIBIT C, Monday through Friday, except Holidays (as hereinafter defined), from 7:00 a.m. to 6:00 p.m. and on Saturdays, except Holidays, from 8:00 a.m. to 1:00 p.m. and, at Tenant's request, at all other times as hereinafter provided in this ARTICLE.

(ii) Landlord shall furnish HVAC beyond the above-stated hours, provided that notice requesting such service is delivered to Landlord before noon on the business day when such service is required for that evening, and by noon of the preceding business day when such service is required on Saturday, Sunday or the holidays ("Holidays") listed on EXHIBIT H. This service shall be furnished at "Landlord's Costs" which shall mean the direct costs to Landlord at the time of the furnishing of such HVAC services, which direct costs are currently \$35.00 per hour. Landlord's Costs shall be paid by Tenant or, alternatively, shall be shared proportionately (based on square feet of rentable area serviced by this overtime HVAC and hours of use requested by the occupant) between Tenant and other tenants, if any, located in the same HVAC zone who are enjoying the benefit of the service at the same time as Tenant. Landlord shall bill Tenant on or before the last day of the month following the month in which Landlord's Costs are incurred, and shall submit with its invoice a tabulation of the hours and the dates on which the overtime HVAC was furnished. Tenant shall reimburse Landlord therefor within twenty (20) business days after receipt of the invoice and other data. If Landlord has not billed Tenant for Landlord's Costs within six (6) months after the end of the year (whether calendar or fiscal) in which Landlord claims Landlord's Costs accrued, Landlord agrees that Landlord has waived its right to be paid such charges.

(4) Cleaning and janitor services in the Leased Premises, Common Building Facilities and the Building Parking Area in accordance with EXHIBIT D.

(5) Hot and cold running potable water for Tenant's purposes.

(6) Electricity for lighting and for the operation of Tenant's office machines, appliances and equipment, and for the Common Building Facilities and Building Parking Area provided Tenant shall pay all utility costs (including the cost of meeting increased load requirements) incurred in the Operating Expense Base Year related to utility consumption at an annual rate in excess of One and 50/100 Dollars (\$1.50) per square foot of rentable area of the Leased Premises.

(7) Providing, installing and replacing light bulbs, tubes and ballasts in the Leased Premises, Common Building Facilities and Building Parking Area.

(8) Removing of ice and snow from the Common Building Facilities and Building Parking Area.

(9) Vermin extermination and repair and replacing any item in the Building damaged by vermin.

(10) Facilities for Tenant's loading, unloading, delivery and pickup activity at the Building, including access thereto twenty-four (24) hours a day, seven (7) days a week in common with other tenants in the Building in the area shown on EXHIBIT A-1.

(b) Such services, utilities, supplies and facilities shall be of a quality which is consistent with those customarily furnished by landlords in commercial office buildings similar to the Building located in the same geographical area as the Project.

Section 6.02. JANITORIAL REQUIREMENTS/ LANDLORD'S FAILURE TO PROVIDE SERVICES.

(a) Landlord shall perform the cleaning and janitorial services substantially in accordance with EXHIBIT D. At Tenant's option, upon sixty (60) days prior written notice to Landlord, Tenant may provide its own cleaning and janitor services. Upon Tenant providing such cleaning and janitorial services, Landlord shall thereafter deduct monthly \$.071 per square foot of rentable area from the Fixed Rent to become due hereunder and an appropriate adjustment shall be made to the Operating Expense Base Year and thereafter the cost of these services shall be excluded from Operating Expenses.

(b) If Landlord fails to furnish any utilities, services or facilities to be provided by Landlord under this Lease and Landlord's failure causes the Leased Premises or any portion thereof to become untenantable for a period of more than (10) consecutive business days, Tenant shall notify Landlord thereof and shall be entitled to a pro rata abatement of the Fixed Rent, Operating Expenses and Real Estate Taxes, attributable to the untenantable portion of the Leased Premises, beginning on the eleventh (11th) business day of such untenantability and continuing until the affected part of the Leased Premises becomes tenantable.

The remedies set forth in this ARTICLE shall be in addition to other remedies granted to Tenant elsewhere in this Lease or at Law or in equity.

ARTICLE SEVEN

PARKING

Section 7.01. TENANT'S PARKING SPACES.

(a) The "Building Parking Area" is shown on EXHIBIT E. Landlord shall, at its expense (except as expressly provided below), provide Tenant with parking as follows: (i) Tenant shall have the right to all 301 non-reserved self-parking spaces within the parking garage of the Building Parking Area; (ii) Tenant shall have the right to all 28 non-reserved self-parking surface parking spaces of the Building Parking Area located as shown on EXHIBIT E; and (iii) (1) (a) Landlord will make reasonable efforts to enter into a parking agreement substantially in the form of EXHIBIT E-1 (the "Adjacent Lot Agreement"), and so long as parking is available to Landlord under Adjacent Lot Agreement, Landlord will provide to Tenant at no additional cost parking spaces available to Landlord under the Adjacent Lot Agreement; (b) if Landlord is unable to enter into the Adjacent Lot Agreement by March 1, 2002, Landlord will make

reasonable efforts to provide until February 28, 2003 seventy five (75) parking spaces within the parking facilities at the XO Communications building located at 11111 Sunset Hills Road at no additional cost to Tenant; and (c) if Landlord is unable to provide parking as described in (iii) (1) (a) or (b) above, Landlord will pay the cost of providing attendant assisted parking, if needed, described in (iii) (2) below through February 28, 2003; (2) Landlord shall provide to Tenant, at Tenant's request and at Tenant's sole cost (except as expressly provided in (iii) (1) (c) above), parking service on business days for an additional sixty four (64) to eighty two (82) cars (but subject to the requirements of applicable fire and other codes and ordinances) by attendant assisted parking (not to exceed two attendants) within the area of Tenant's parking spaces in the garage of the Building Parking Area; and (3) at Tenant's request and at Tenant's sole cost, parking service for periods up to two hours during morning and evening commuting periods on business days by shuttle service to and from an off-site parking facility. Tenant shall provide to Landlord at least thirty (30) days prior written notice of Tenant's request for parking service under (iii) (2) or (3) above and shall reimburse Landlord within thirty (30) days of receipt of invoice all costs incurred by Landlord with respect to the provision of parking services under (iii) (2) and (3) above (except as expressly provided in (iii) (1) (c) above). The Building Parking Area shall be available for use twenty-four (24) hours a day, every day of the year during the Term and shall be illuminated when necessary to maintain a safe environment. Further, Landlord shall keep and maintain the Building Parking Area in a clean, condition compatible to similar buildings in the same geographic area.

(b) If Tenant, its employees, licensees or guests are not able to use the Building Parking Area and access ways thereto because of unauthorized use by others, Landlord shall take whatever reasonable steps to end and prevent further unauthorized use including, if appropriate, posting signs, distributing parking stickers and towing away unauthorized vehicles.

ARTICLE EIGHT

USE OF LEASED PREMISES

Section 8.01. GENERAL USES. Tenant shall have the right to use the Leased Premises for executive and administrative offices; marketing; sales; consulting and customer services; displays; incidental storage; maintenance services and repair; engineering; education and training; any other general office use; all other uses incidental and related to the foregoing, all in accordance with applicable law.

ARTICLE NINE

REPAIRS AND MAINTENANCE

Section 9.01. LANDLORD'S REPAIRS. Landlord shall maintain, repair and replace, as necessary, and keep in good order, safe and clean condition (a) the plumbing, sprinkler, HVAC and electrical and mechanical lines and equipment associated therewith, elevators and boilers, broken or damaged window glass and damage by vandals to the Common Building Facilities; (b) utility and trunk lines, tanks and transformers and the interior and exterior structure of the

Building, including the roof, exterior walls, bearing walls, support beams, floor slabs, foundation, support columns and window frames; (c) the interior walls and ceilings, and floor coverings (including carpets and tiles) within the Common Building Facilities; (d) improvements to the Land, including ditches, shrubbery, landscaping and fencing, and (e) the Common Building Facilities located within or outside the Building, including the common entrances, corridors, interior and exterior doors and windows, loading docks, stairways, lavatory facilities and the Building Parking Area and access ways therefor. Further, Landlord shall perform all repairs and restoration work required by ARTICLE TWENTY, FIRE AND OTHER CASUALTY - INSURANCE and ARTICLE TWENTY-ONE, CONDEMNATION.

Section 9.02. TENANT'S REPAIRS. At its expense except as provided in Section 9.01, Tenant shall keep the Leased Premises in good condition and repair and shall perform all other repairs and replacements to the Project which are specifically agreed upon in this Lease to be Tenant's obligations. Tenant shall not be liable for repairs or replacements necessitated by ordinary wear and tear, damage by fire or other casualty and damage caused by Landlord or by others for whom Tenant is not responsible.

Section 9.03. LANDLORD'S FAILURE TO MAKE REPAIRS.

If Tenant notifies Landlord of Landlord's failure to perform any repair, restoration or replacement work which it is required to perform hereunder and which failure materially and adversely affects Tenant's use of or access to, the Leased Premises, and Landlord fails to commence such repair, restoration or replacement work within four (4) business days of Tenant's written notice thereof and to perform the same or make such payments within the period of time set forth in Section 25.02, Tenant may make perform any such repair, restoration or replacement work and be entitled to reimbursement of the reasonable cost thereof by Landlord within twenty (20) days of submission of request for payment together with supporting invoices.

ARTICLE TEN

ALTERATIONS AND IMPROVEMENTS

Section 10.01. TENANT'S CHANGES - NO APPROVAL.

(a) Tenant may place and replace its trade fixtures, tools, machinery, furniture, floor covering, equipment and other tangible personal property ("Tenant's Personal Property") in the Leased Premises and may make alterations, improvements, replacements and other changes to the Leased Premises Service Systems and to the interior of the Leased Premises as it may desire at its own expense with Landlord's prior written consent not to be unreasonably withheld or delayed provided Landlord's consent shall not be required with respect to the alterations which entail installation or removal of Tenant's Personal Property which is readily movable and does not constitute a fixture. Tenant shall not alter, improve, replace or change the Building Service Systems or the Structure except in accordance with Section 10.02.

(b) The words "Leased Premises Service Systems" shall mean the electrical, HVAC, mechanical, plumbing, safety and health and telecommunication (voice/data/signal) systems that directly service the Leased Premises from a localized point of distribution. Such systems are dedicated to the Leased Premises at their available capacities and do not service any space other than the Leased Premises.

(c) All work permitted in this Lease shall be done and completed by the Tenant in a good and workmanlike manner and in compliance with all requirements of applicable law and of governmental rules and regulations. Tenant agrees to indemnify the Landlord against all mechanics' or other liens arising out of any of such work, and also against any and all claims for damages or injury which may occur during the course of any such work unless caused by Landlord or Landlord's agents or contractors.

Section 10.02. TENANT'S CHANGES - LANDLORD'S APPROVAL.

(a) Tenant shall not make any alterations, improvements, replacements or other changes to the Building Service Systems and to the Structure without Landlord's prior written consent thereto, which consent may be withheld or conditioned in Landlord's absolute discretion as to all alterations, improvements, replacements or other changes to the exterior of the Building and which consent shall not be unreasonably withheld or conditioned as to other alterations, improvements, replacements or other changes. Landlord shall make reasonable efforts to grant or deny consent within thirty (30) days of Tenant's written request therefor.

(b) The words "Building Service Systems" shall mean the electrical, HVAC, mechanical, plumbing, safety and health and telecommunication (voice/data/signal) systems that service the Building up to the point of localized distribution. Such systems provide the main source of supply and distribution throughout the Building.

(c) The word "Structure" shall mean bearing walls, roof, exterior walls, support beams and columns, foundation, window frames and floor slabs of the Building.

Section 10.03. TENANT'S OWNED PROPERTY. All of Tenant's Personal Property (sometimes referred to as, "Tenant's Owned Property"), shall be owned by and remain the property of Tenant.

Section 10.04. REMOVAL OF TENANT'S OWNED PROPERTY. Tenant may remove all or any of Tenant's Owned Property at any time during the Term and Tenant shall remove the same, unless otherwise permitted by Landlord at the expiration or earlier termination of the Term by vacating the Leased Premises. Upon written notice to Tenant within thirty (30) days after expiration of the Term, Landlord may require that Tenant remove, at Tenant's sole cost and expense, any or all alterations, improvements or additions to the Leased Premises, which Landlord required to be removed as a condition to approval of same and restore the Leased Premises to their prior condition. Unless Landlord requires their removal, all alterations, additions and improvements which may be made on the Leased Premises shall become the property of Landlord and remain upon and be surrendered with the Leased Premises. Tenant shall also repair any damage to the Leased Premises caused by the installation or removal of

Tenant's Personal Property, or any alterations or other improvements made to the Leased Premises by Tenant. If Tenant removes such things or any of them, Tenant shall not be required to remove pipes, wires and the like from the walls, ceilings or floors, provided Tenant properly cuts, disconnects and caps such pipes and wires and seals them off as required by the Law.

Section 10.05. LANDLORD'S CHANGES - TENANT'S APPROVAL. During the Term, unless required by Law Landlord shall not without Tenant's consent make any substantial addition to the Building or make any other substantial alteration or change (other than as reasonably required incidental to repairs and maintenance) to the Common Building Facilities that materially and adversely affect Tenant's use and occupancy and other rights granted hereunder.

ARTICLE ELEVEN

SIGNS

Section 11.01. TENANT'S SIGNS. Tenant may direct Landlord, at Landlord's sole expense, to place signs of Tenant and/or an Affiliated Person of Tenant in the Building lobbies, including the main entrance and main floor elevator lobbies; on the entrance doors to the Leased Premises, and in hallways or elevator lobbies on floors fully leased by Tenant. On floors partially leased by Tenant, Landlord shall place signs in the elevator lobbies and hallways leading to the Leased Premises which give direction to the Leased Premises.

Section 11.02. DIRECTORY BOARD. Landlord, at its expense, shall place a directory board in the Building lobby and, at Tenant's option to be exercised in its sole discretion, shall affix thereto Tenant's name and the name of each division, business unit, partner, permitted assignee or subtenant of Tenant and Affiliated Person of Tenant, that is located in the Building.

Section 11.03. PROJECT SIGN AND NAME.

(a) Tenant shall have the non-exclusive right to design and have installed by Landlord, but at Tenant's sole cost, Tenant's name and/or logo on the monument sign for the Building. Tenant shall have the right to design and have installed by Landlord, but at Tenant's sole cost, all permitted signage on the Building ("Building Signs"). Tenant shall be entitled to designate the side or sides of the Building on which Tenant's Building Signs shall be located. All such signage shall be in compliance with all applicable legal requirements and shall be subject to Landlord's prior written approval such approval not to be unreasonably withheld, provided any signs, and/or graphics shall not adversely reflect on the dignity or character of the Project as a first-class office Project.

(b) If at any time after the execution of this Lease Landlord changes the Building Name or installs new or substitute signs which are not the Building Name, Landlord shall notify Tenant at least sixty (60) days prior to the date of the proposed change. Landlord agrees not to change the Building Name during the Term to a name of a business competitor of International Business Machines Corporation without the written consent of Tenant.

Section 11.04. COMPLIANCE WITH LAW. All signs installed by Landlord and Tenant shall comply with applicable Law and shall be installed in a good workmanlike manner.

ARTICLE TWELVE

OPTION FOR MORE OR LESS SPACE

INTENTIONALLY DELETED.

ARTICLE THIRTEEN

FIRST OFFER - ADDITIONAL SPACE

During the Term Landlord will provide Tenant the right of first offer to lease an additional 41,200 rentable square feet (or portions thereof as space becomes available) at the adjacent two story office building located at 11109 Sunset Hills Road and known as Sunset Corporate Plaza II owned by Landlord, subject to the currently existing rights of renewal, first refusal and first offer under existing leases. Landlord shall offer such space to Tenant at the then current fair market rental rate for comparable space in comparable office buildings in Reston, Virginia as determined in Section 3.02 above. The option to lease space described in this Article Thirteen shall terminate as to space offered to Tenant unless Tenant accepts Landlord's offer to lease such space in writing within seven (7) business days of receipt thereof.

ARTICLE FOURTEEN

ASSIGNMENT AND SUBLETTING

Section 14.01. ASSIGNMENT OR SUBLEASE.

(a) Except as hereinafter authorized in paragraph (b) below, Tenant shall not assign, mortgage, pledge, hypothecate, encumber, or otherwise transfer this Lease or any interest herein, or sublet any part of the Leased Premises, without the prior consent of Landlord in each instance, which consent Landlord agrees not to unreasonably withhold, delay or condition. If Landlord approves an assignment or sublease as herein provided, Tenant shall pay to Landlord as Additional Rent one-half (1/2) of the amount, if any, by which the rent, any additional rent and any other sums payable by the assignee or subtenant to Tenant under such assignment or sublease (less all reasonable out-of-pocket costs associated with the assignment or subleasing of the Leased Premises, such as legal fees, leasing commissions, Landlord review fees, tenant improvements and construction management fees) exceeds the total of the Fixed Rent plus any Additional Rent payable by Tenant hereunder which is allocable to the portion of the Leased Premises which is the subject of such assignment or sublease. The foregoing payments shall be made on not less than a monthly basis by Tenant. No consent to any assignment or sublease shall constitute a further waiver of the provisions of this section, and all subsequent assignments or subleases may be made only with the prior written consent of Landlord. In no event shall any consent by Landlord be construed to permit reassignment or resubletting by a permitted assignee

or sublessee. Any assignment or sublease without Landlord's prior written consent shall be void, and shall, at the option of the Landlord, constitute a default under this Lease.

(b) Subject to Section 14.02 below, without the consent of Landlord, Tenant may assign this Lease or sublet all or any part of the Leased Premises at any time during the Term to (1) an Affiliated Person of Tenant or (2) any Person that acquires Tenant through merger, consolidation or other acquisition through the purchase of substantially all of Tenant's stock or the purchase of substantially all of Tenant's assets. .

Section 14.02. LIABILITY OF TENANT. If Tenant assigns or sublets hereunder, Tenant shall notify Landlord thereof and Tenant shall remain responsible for the faithful performance and observance of all of its covenants and obligations set forth in this Lease. An assignee of Tenant, at the option of Landlord, shall become directly liable to Landlord for all obligations of Tenant hereunder, but no sublease or assignment by Tenant shall relieve Tenant of any liability hereunder.

ARTICLE FIFTEEN

SUBORDINATION AND NON-DISTURBANCE

This Lease shall be subordinate and subject to all ground and underlying leases and to any first mortgages thereon and to any first mortgages covering the fee of the Project, and to all renewals, modifications or replacements thereof; provided, however, that with respect to any existing ground lease, underlying lease and/or mortgage, no later than the date Tenant executes and delivers this Lease and, with respect to any future ground lease, underlying lease and/or mortgage, on or before the effective date thereof, Landlord shall obtain from its ground lessor, underlying lessor and/or mortgagee, as the case may be, and file on the public record a written agreement with Tenant substantially in the form attached hereto and marked EXHIBIT I. The agreement shall be binding on their respective legal representatives, successors and assigns.

ARTICLE SIXTEEN

BROKER

The parties warrant and represent to each other that no Person has negotiated or brought about this transaction other than Trammell Crow Real Estate Services, Inc. and Manekin LLC in the negotiating or making of this Lease, and each party agrees to defend, indemnify and hold the other party, its agents, employees, partners, directors, shareholders and independent contractors harmless from all liabilities, costs, demands, judgments, settlements, claims and losses, including reasonable attorneys fees and costs, incurred by such indemnified party as a result of the breach by the indemnifying party of the foregoing representation and warranty. Landlord shall be responsible for paying the leasing commission owed to Trammell Crow Real Estate Services, Inc. and shall instruct Trammell Crow Real Estate Services, Inc. to pay from such commission the amounts owed to Manekin LLC pursuant to the letter agreement dated January 22, 2002 between Manekin LLC and Principal Office Investors, LLC.

ARTICLE SEVENTEEN

ANTENNA

Tenant may install and, once installed, modify a microwave, satellite or other antenna communications system on the roof of the Building for use in connection with Tenant's business. Tenant shall furnish detailed plans and specifications for the system (or modification) to Landlord for approval, which approval shall not be unreasonably withheld, delayed or conditioned. Upon approval, the system shall be installed, at Tenant's expense, by a contractor selected in the manner agreed to in Section 10.02. Tenant is hereby granted such easements and licenses for (a) use of any Building shafts and other Common Building Facilities required to install the electrical or communication wiring, (b) access to the roof at all reasonable times and in emergencies and (c) use of a mutually agreed upon area of the roof to install and operate the system. Tenant shall be responsible for procuring whatever licenses or permits may be required from third Persons for the use or operation of the system, and Landlord makes no warranties or representations as to the permissibility of the system under applicable Law. The system shall not constitute a nuisance or unreasonably interfere with the operations of Landlord or other tenants occupying the Project and shall be constructed and maintained in accordance with the requirements of all applicable laws. At the end of the Term, at Landlord's request, Tenant shall cause such system to be removed and shall repair any damage caused by such removal. Upon written request by Tenant, Landlord shall take commercially reasonable steps to prevent other antenna communications systems located on the roof of the Building from unreasonably interfering with the operations of Tenant's antenna communications system.

ARTICLE EIGHTEEN

NOTICES

Any notice, request or demand under this Lease shall be in writing, shall refer to the Lease number, if any, set forth in the "Basic Lease Information" section, and shall be considered properly delivered when addressed as hereinafter provided, and (a) served personally or (b) sent by registered or certified mail (return receipt requested) and deposited in a United States general or branch post office, or by a nationally recognized overnight private express mail carrier. Any notice, request or demand by Tenant to Landlord shall be addressed to Landlord at 801 Grand Avenue, Des Moines, Iowa, 50392-1360, Attn: Commercial Real Estate Equities, with a copy to Trammell Crow Real Estate Services, Inc., 14595 Avion Parkway, Suite 100, Chantilly, Virginia 20151, until otherwise directed in writing by Landlord and, if requested in writing by Landlord, simultaneously served on or sent to Landlord's first mortgagee at the address specified in such request. Any notice, request or demand by Landlord to Tenant shall be addressed to Tenant at North Castle Drive, Armonk, New York, 10501, Attention: Program Director, US Real Estate Operations and Investments, with copies addressed simultaneously to Tenant at New Orchard Road, Armonk, NY 10504 Attention: Associate General Counsel - Real Estate Services and, on and after the Term Commencement Date, to Tenant's Administration Manager at the Leased Premises, until otherwise directed in writing by Tenant. Rejection or other refusal to accept a notice, request or demand, or the inability to deliver the same because of a changed address of which no notice was given, shall be deemed to be receipt of the notice, request or demand sent.

ARTICLE NINETEEN

COMPLIANCE WITH LAW

Section 19.01. TENANT'S COMPLIANCE WITH LAW.

(a) Tenant shall comply with all federal, state and local statutes, rules, ordinances, orders, codes and regulations, and legal requirements and standards issued thereunder, including all amendments and supplements thereto (collectively, the "Law") which are applicable to Tenant's use and manner of use of the Leased Premises. Nothing herein shall be deemed to impose any obligation upon Tenant for any elements of the Structure or Building Service Systems, or for any improvements, restoration, alterations, replacements or repairs represented herein by Landlord to have been completed in compliance with the Law or required to be made by Landlord pursuant to the provisions of this Lease, unless caused by Tenant's negligence or use of the Leased Premises for purposes other than customary general office use.

(b) The term "Hazardous Substances" shall mean pollutants, contaminants, toxic or hazardous wastes, or any other hazardous substances, the use and/or the removal of which is required or the use of which is restricted, prohibited or penalized by any "Environmental Law", which term shall mean any applicable federal, state or local law, regulation, order, ordinance or other statute of a governmental or quasi-governmental authority with jurisdiction over the Project relating to pollution or protection of the environment. Tenant hereby agrees that (A) no activity will be conducted in the Project or Leased Premises that will produce any Hazardous Substances, except for such activities that are part of the ordinary course of Tenant's use of the Leased Premises for customary general office use (the "Permitted Activities") provided said Permitted Activities are conducted in accordance with all Environmental Laws; Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency; (B) the Project will not be used by Tenant, its agents, employees or invitees and the Leased Premises will not be used in any manner for the storage of any Hazardous Substances except for the temporary storage of such materials that are used in the ordinary course of Tenant's use of the Leased Premises for customary general office use (the "Permitted Materials"), provided such Permitted Materials are properly stored in a manner and location within the Leased Premises meeting all Environmental Laws; Tenant shall be responsible for obtaining any required permits and paying any fees and providing any testing required by any governmental agency with jurisdiction over the Project; (C) no portion of the Project or the Leased Premises will be used as a landfill or a dump; (D) Tenant will not install any underground tanks of any type; (E) Tenant will not allow any surface or subsurface conditions to exist or come into existence in violation of Environmental Laws; (F) Tenant will not permit any Hazardous Substances to be brought onto the Project or Leased Premises (except for the Permitted Materials described above), and if so brought or found located thereon, the same shall be immediately removed pursuant to all Environmental Laws, and if applicable, with proper disposal and all required cleanup procedures pursuant to all Environmental Laws. Landlord or Landlord's representative shall have the right but not the obligation to enter the Leased Premises (with reasonable prior notice except in the case of emergencies) for the purpose of inspecting the storage, use and disposal of Permitted Materials to ensure compliance with all

Environmental Laws, if any. Should it be determined, in Landlord's sole but reasonable opinion (based either on notice from a governmental agency with jurisdiction over the Project or on the report or recommendation of a regionally recognized environmental consultant) that said Permitted Materials are being improperly stored, used, or disposed of, then Tenant shall immediately take such corrective action as requested by such government agency or as reasonably recommended by such environmental consultant. Should Tenant fail to commence such corrective action within 24 hours after Landlord's request and diligently pursue such corrective action to completion thereafter, Landlord shall have the right to perform such work and Tenant shall promptly reimburse Landlord for any and all costs associated with said corrective action. If at any time during or after the Lease Term, the Project or the Leased Premises are found to be so contaminated or subject to said conditions in violation of any Environmental Laws or the requirements of (A) through (F) above, Tenant shall diligently institute proper and thorough cleanup procedures in compliance with Environmental Laws and the requirements of (A) through (F) above, all at Tenant's sole cost, and Tenant agrees to indemnify, defend and hold harmless Landlord, its lenders, any managing agents and leasing agents of the Project, and their respective agents, partners, officers, directors and employees, from all claims, demands, actions, liabilities, costs, expenses, penalties (whether civil or criminal), damages (actual or punitive but not consequential such as loss of profits) and obligations of any nature arising from or as a result of the violation by Tenant of any Environmental Laws or the requirements of (A) through (F) above. The foregoing indemnification and the responsibilities of Tenant shall survive the termination or expiration of this Lease.

(c) During and after the Lease Term, Tenant shall promptly provide Landlord with copies of all summons, citations, notices of potential responsibility, notices of violation or deficiency, orders or decrees, claims, complaints, investigations, judgments, letters, notice of environmental liens received by Tenant from the United States Environmental Protection Agency, Occupational Safety and Health Administration, the Commonwealth of Virginia Department of Environmental Quality, or other federal, state or local agency or authority, or any other entity or individual concerning (i) any Hazardous Substance regarding the Project or the Leased Premises; (ii) the imposition of any lien on the Project or the Leased Premises; or (iii) any alleged violation of or responsibility under any Environmental Law.

(d) Tenant shall not be responsible for Hazardous Substances within the Project or Leased Premises, or the clean up thereof, unless the actions of Tenant, its employees, contractors, agents, guests or invitees cause the presence of such Hazardous Substances in violation of any Environmental Laws or the requirements of (A) through (F) of subsection (b) above or contribute to the amount, danger or illegality of such Hazardous Substances.

Section 19.02. LANDLORD'S COMPLIANCE WITH LAW.

(a) Except for those obligations of Tenant which are set forth in Section 19.01, Landlord shall comply with the Law which relates to the performance by Landlord of any duties or obligations to be performed by Landlord under this Lease. Landlord agrees that the Common Building Facilities shall at all times during the Term comply with all design, construction, conservation, environmental, asbestos, fire, health and safety Law, and Law covering the

disabled. Landlord shall not store within the Common Building Facilities any Hazardous Substances except for storage of such materials that are used in the ordinary course of Landlord's operation or maintenance of the Project.

(b) All boilers and other pressure vessel equipment shall be constructed and maintained by Landlord in accordance with the applicable ASME Standards and Codes.

(c) Landlord shall regularly inspect and maintain the HVAC system and treat the cooling tower water with U.S. Environmental Protection Agency registered chemicals to prevent the buildup of slime, algae and bacteria, and shall follow the latest recommendations of the Center for Disease Control or current practices of the American Society of Heating, Refrigeration and Air Conditioning Engineers.

ARTICLE TWENTY

FIRE AND OTHER CASUALTY - INSURANCE

Section 20.01. DAMAGE OR DESTRUCTION.

(a) If any portion of the Project is damaged by fire, earthquake, flood or other casualty, or by any other cause of any kind or nature (the "Damaged Property") and the Damaged Property can, in the opinion of Landlord's architect reasonably exercised, be repaired within two hundred seventy (270) days from the date of the damage, Landlord shall proceed promptly to make such repairs as required by paragraph (c). This Lease shall not terminate, but Tenant shall be entitled to a pro rata abatement of Fixed Rent and Additional Rent payable during the period commencing on the date of the damage and ending on the date the Damaged Property is repaired as aforesaid and the Leased Premises are delivered to Tenant. The extent of rent abatement shall be based upon the portion of the Leased Premises rendered untenable, unfit or inaccessible for use by Tenant for the purposes stated in this Lease during such period. When required by this ARTICLE, the architect's opinion shall be delivered to Tenant within thirty (30) days from the date of written notice of damage by Tenant. The architect's opinion shall be made in good faith after a thorough investigation of the facts required to make an informed judgment. The architect shall consider and include as part of his evaluation the period of time necessary to obtain the required approvals of the mortgagee, insurer, and municipal authorities, to order and obtain materials, and to engage contractors.

(b) If (1) in the opinion of Landlord's architect reasonably exercised, damage to the Damaged Property cannot be repaired within two hundred seventy (270) days from the date of the damage, or (2) Landlord commences and proceeds with due diligence but fails to complete the repair of the Damaged Property as required by paragraph (c) within the two hundred seventy (270) day period, subject to an extension of time allowed for an Excusable Delay but in no event beyond three hundred sixty five (365) days from the date of the damage, or (3) the Term will expire within one (1) year from the date of the damage and Tenant fails to extend the Term in accordance with Section 3.02 within ninety (90) days from the date of the damage, and the damage makes the Leased Premises inaccessible for a period of at least thirty (30) days or renders at least fifty percent (50%) of the Leased Premises untenable for use, either party may

terminate this Lease as follows: for the reason stated in subparagraph (1), by notice to the other within twenty (20) days from the date on which the architect's opinion is delivered to Tenant; (2) for the reason stated in subparagraph (2), by such notice within twenty (20) days from the end of the two hundred seventy (270) day period, as it may have been extended by an Excusable Delay as provided above, and (3) for the reason stated in subparagraph (3), by such notice within one hundred-twenty (120) days from the date of the damage. Upon termination, Fixed Rent and Additional Rent shall be apportioned as of the date of the damage and all prepaid Fixed Rent and Additional Rent shall be repaid.

(c) If neither party exercises its option to terminate hereunder Landlord shall, with due diligence, repair the Damaged Property as a complete architectural unit of substantially the same usefulness, design and construction existing immediately prior to the damage; provided, that, Landlord shall not be required to spend more than the amount of insurance proceeds payable to Landlord under the policies of insurance required to be maintained by Landlord under Section 20.02 below (plus the amount of any applicable deductibles) and with respect to Tenant's Improvements (as they may have been changed by Tenant) Tenant shall pay sums which exceed the original cost contributed by Landlord. Tenant shall be entitled to a pro rata abatement of Fixed Rent and Additional Rent in the manner and to the extent provided in paragraph (a).

(d) If by operation of this ARTICLE Landlord undertakes but fails to complete repairs of the Damaged Property as required by the provisions of this ARTICLE and deliver the Leased Premises to Tenant within three hundred sixty five (365) days from the date of the damage for any reason other than a delay caused by Tenant, its contractors, employees or agents, either party may terminate this Lease by written notice to the other within thirty (30) days from the end of the three hundred sixty five (365) day period, so long as the Damaged Property has not been repaired and the Leased Premises delivered to Tenant before such notice. If either party elects to terminate, this Lease and the Term shall end on the date which is thirty (30) days after the written notice and Fixed Rent and Additional Rent shall be apportioned as of the date of termination and any prepaid Fixed Rent and Additional Rent shall be repaid.

(e) The word "repair" shall include rebuilding, replacing, and restoring the Damaged Property.

Section 20.02. CASUALTY INSURANCE.

(a) From and after the date hereof, Landlord shall maintain a policy of insurance covering the Project (including Tenant's Improvements, to the extent not paid for by Tenant, and Landlord's Property located within the Project) against loss, damage or destruction caused by boiler explosion, machine breakdown, fire and the perils specified in the standard extended coverage endorsement, by vandalism and malicious mischief, and by sprinkler, gas, water, steam and sewer leakage. The amount of insurance shall equal at least one hundred percent (100%) of the replacement cost of the Project, excluding the Land and foundations but including Tenant's Improvements as aforesaid and Landlord's Property. Landlord represents and warrants that this insurance policy is now, and during the Term will continue to be in full force and effect. The words "Landlord's Property" shall mean trade and other fixtures, machinery, equipment, tools,

furniture and other tangible personal property owned by Landlord and required for the operation and maintenance of the Project. Landlord shall also maintain other insurance as Landlord deems necessary and prudent, or as required by Landlord's beneficiaries or mortgagees of any deed of trust or mortgage encumbering the Project.

(b) Landlord and Tenant each hereby waives its respective right of recovery against the other and each releases the other from any claim arising out of loss, damage or destruction to the Project, and contents thereon or therein, whether or not such loss, damage or destruction may be attributable to the fault or negligence of either party or its respective agents, invitees, contractors or employees which loss or damage is covered by valid and collectible fire, extended coverage, "All Risk" or similar policies, maintained by such party or required to be maintained by such party under this Lease (or within the deductible limits of such insurance). Each casualty insurance policy shall include a waiver of the insurer's rights of subrogation against the party hereto who is not an insured under said policy. Each party shall look solely to the proceeds of its respective casualty insurance policy (and to its own funds to the extent it is self-insured) to compensate it for any such loss, damage or destruction.

Section 20.03. TENANT'S INSURANCE.

Tenant shall, during the Term, procure and keep in force the following insurance:

- (1) Commercial general liability insurance naming Landlord and Landlord's managing agent for the Project as additional insureds against any and all claims for bodily injury and property damage occurring in, or about the Leased Premises arising out of Tenant's use and occupancy of the Leased Premises. Such insurance shall have a combined single limit of not less than One Million Dollars (\$1,000,000) per occurrence with Two Million Dollars (\$2,000,000) aggregate limit and excess umbrella liability insurance in the amount of Two Million Dollars (\$2,000,000). If Tenant has other locations that it owns or leases the policy shall include an aggregate limit per location endorsement. Such liability insurance shall be primary and not contributing to any insurance available to Landlord and Landlord's insurance shall be in excess thereto. In no event shall the limits of such insurance be considered as limiting the liability of Tenant under this Lease. So long International Business Machines Corporation is the Tenant in possession of the entire Leased Premises, Tenant may self insure as to such insurance requirements
- (2) Personal property insurance insuring all equipment, trade fixtures, inventory, fixtures and personal property located on or in the Leased Premises for perils covered by the cause of loss - special form (all risk) and in addition, coverage for flood and boiler and machinery (if applicable). Such insurance shall be written on a replacement cost basis in an amount equal to one hundred percent (100%) of the full replacement value of the aggregate of the foregoing. So long International Business Machines Corporation is the Tenant in possession of the entire Leased Premises, Tenant may self insure as to such insurance requirements.

- (3) Workers' compensation insurance in accordance with statutory law and employers' liability insurance with a limit of not less than \$100,000 per accident, \$500,000 for a disease policy limit, and \$100,000 for disease limit for each employee.

If International Business Machines Corporation is not the Tenant in possession of the entire Leased Premises, the policies required to be maintained by Tenant shall be issued by companies rated A-VII or better in the most current issue of Best's Insurance Reports. Insurers shall be licensed to do business in the state in which the Project is located and domiciled in the USA. Any deductible amounts under any insurance policies required hereunder shall not exceed \$100,000. Certificates of insurance (certified copies of the policies may be required) shall be delivered to Landlord prior to the Term Commencement Date and annually thereafter at least thirty (30) days prior to the expiration date of the old policy. Tenant shall have the right to provide insurance coverage which it is obligated to carry pursuant to the terms hereof in a blanket policy, provided such blanket policy expressly affords coverage to the Project, the Leased Premises, and to Landlord as required by this Lease. Each policy of insurance shall provide notification to Landlord at least thirty (30) days prior to any cancellation or modification to reduce the insurance coverage.

ARTICLE TWENTY-ONE

CONDEMNATION

Section 21.01. TAKING - LEASE ENDS. If at any time during the Term the whole of the Building shall be taken for any public or quasi-public use, under any statute or by right of eminent domain, this Lease shall terminate on the date of such taking except as provided in Section 21.03. If less than all of the Building shall be so taken and less than fifty percent (50%) of the Leased Premises remains tenantable, Tenant may, by notice to Landlord within sixty (60) days after the date Tenant is notified of such taking, terminate this Lease. If Tenant exercises its option, this Lease and the Term shall end on the date specified in Tenant's notice and the Fixed Rent and Additional Rent shall be apportioned and paid to the date specified in Tenant's notice.

Section 21.02. TAKING - LEASE CONTINUES. If less than all of the Building shall be taken and more than fifty percent (50%) of the Leased Premises remains tenantable, this Lease shall remain unaffected, except that Tenant shall be entitled to a pro rata abatement of Fixed Rent and Additional Rent based upon the nature of the space taken (office space, storage, parking area) and upon the proportion which the area of the Leased Premises or Building Parking Area, as case may be, so taken bears to the area of the Leased Premises or Building Parking Area, as case may be, immediately prior to such taking.

Section 21.03. TEMPORARY TAKING. If the use and occupancy of the whole or any part of the Building is temporarily taken for a public or quasi-public use for a period less than the balance of the Term, at Tenant's option to be exercised in writing and delivered to Landlord not later than sixty (60) days after the date Tenant is notified of such taking, this Lease and the Term shall terminate on the date specified in Tenant's notice or shall continue in full force and effect. If this Lease remains in effect Tenant shall be entitled to a pro rata abatement of Fixed Rent and

Additional Rent in the manner and to the extent provided in Section 21.02 or, at its option, receive that portion of the award for such taking which represents compensation for the value of Tenant's leasehold estate and the Term demised hereunder, in which case Tenant shall continue to pay the Fixed Rent and Additional Rent in full when due.

Section 21.04. LANDLORD'S AWARD. Landlord shall be entitled to receive the entire award or awards in any condemnation proceeding without deduction therefrom for any estate vested in Tenant and Tenant shall receive no part of such award or awards from Landlord or in the proceedings except as otherwise expressly provided in this ARTICLE. Subject to the foregoing, Tenant hereby assigns to Landlord any and all of Tenant's right, title and interest in or to such award or awards or any part thereof.

Section 21.05. TENANT'S AWARD. If there is a taking hereunder, Tenant shall, if allowed by the Law, be entitled to appear, claim, prove and receive in the condemnation proceeding as a separate award (a) the value of Tenant's Personal Property that is damaged, destroyed or taken hereunder; (b) the cost of relocation; and (c) special awards or allowances paid to tenants when their rental space is taken by eminent domain.

Section 21.06. RESTORATION BY LANDLORD. If there is a taking hereunder and this Lease is continued Landlord shall, at its expense, proceed with reasonable diligence to repair, replace and restore the Building as a complete architectural unit of substantially the same proportionate usefulness, design and construction existing immediately prior to the date of taking.

Section 21.07. DEFINITIONS. Taking by condemnation or eminent domain hereunder shall include the exercise of any similar governmental power and any sale, transfer or other disposition of the Building or Land in lieu or under threat of condemnation. The word "Building," as used in this ARTICLE only, shall mean the Leased Premises and Common Building Facilities and access ways thereto.

ARTICLE TWENTY-TWO

INDEMNIFICATION

Subject to the terms hereof (including, but not limited to, Section 20.02 (b), Tenant agrees to defend, indemnify and save the Landlord harmless from any and all claims for bodily injury (including death) or property damage made against the Landlord hereto if (a) arising from any Default by the Tenant in the performance of any covenant or agreement on its part to be performed pursuant to the provisions of this Lease, or (b) occurring within the Project limits and arising from the negligence or misconduct of the Tenant or its agents or employees acting within the scope of their employment, or (c) arising out of (1) a representation in this Lease made the Tenant which was intentionally false or misleading in any material respect when made, or (2) a material breach of any of the warranties made in this Lease by the Tenant. This indemnity shall include all court costs, reasonable attorneys' fees (only if Tenant fails or refuses to defend), expenses and liabilities incurred by the Landlord. If any action or proceeding is brought against the Landlord by reason of any such claim, the Tenant agrees to defend the action or proceeding,

including defense of a claim for the damages, at its expense upon notice from the Landlord. Subject to the terms hereof (including, but not limited to, Section 20.02 (b)), Landlord shall defend, indemnify and hold harmless Tenant from and against all costs, damages, injury, claims, liabilities, expenses (including reasonable attorneys' fees only if Landlord fails or refuses to defend), losses and court costs to the extent arising from or as a result of any negligence or misconduct of Landlord or its agents or employees acting within the scope of their employment.

ARTICLE TWENTY-THREE

LANDLORD'S ACCESS

(a) Landlord shall, upon advance oral notice to Tenant, have the right (1) at all reasonable times during Tenant's business hours to inspect the Leased Premises and to show the same to prospective mortgagees and purchasers; (2) during the last six (6) months of the Term, to show the same to prospective tenants and (3) at all times to make repairs or replacements and perform its obligations hereunder as required by this Lease or as may be necessary; provided, however, that Landlord shall use all reasonable efforts not to disturb Tenant's use and occupancy of the Leased Premises.

(b) Landlord shall have the right without notice to enter the Leased Premises at all times in emergencies.

(c) Tenant may designate one or more areas in the Leased Premises as secure areas, and Landlord shall have no right of access thereto without being accompanied by Tenant's designated representative except in the case of emergencies provided Tenant shall make available to Landlord promptly after request therefor Tenant's designated representative and access to such secure areas as may be required in order for Landlord to perform its obligations hereunder.

ARTICLE TWENTY-FOUR

LANDLORD'S TITLE

Section 24.01. LANDLORD'S REPRESENTATIONS REGARDING TITLE. Landlord represents and warrants as a condition of this Lease that it possesses good marketable fee title to the Project, subject only to matters of record, and that it is authorized to make this Lease for the Term.

Section 24.02. LANDLORD'S REPRESENTATIONS REGARDING LEGAL PROCEEDINGS. Landlord represents and warrants that as of the date hereof (a) there are no pending or, to the best of its knowledge, threatened claims, causes of action, foreclosure proceedings, filings of involuntary or voluntary bankruptcy or insolvency petitions, appointments of receivers, assignments for the benefit of creditors, lawsuits, or judgments against the Project or Landlord, and (b) none of the foregoing listed in paragraph (a), if applicable to other properties controlled by or under common control with Landlord or an Affiliated Person of

Landlord, will affect title to the Project, Landlord's ability to comply with its obligations under this Lease, or Tenant's use of the Project as herein provided.

Section 24.03. TITLE MATTERS. Landlord has delivered to Tenant a copy of Landlord's title insurance policy for the Project and represents and warrants that the policy is a true and complete copy of the original; that, to the best of Landlord's knowledge, there have been no material changes as of the date of this Lease to any matters set forth in such policy. As used herein, to "to the best of Landlord's knowledge" means the actual knowledge (and not the implied or constructive knowledge) without any duty of investigation or inquiry of Mark Scholz, Landlord's asset manager for the Project.

ARTICLE TWENTY-FIVE

DEFAULT

Section 25.01. DEFAULT BY TENANT. If Tenant shall fail to pay Fixed Rent or Additional Rent when due hereunder, or if Tenant shall fail to perform or observe any of its other covenants or obligations set forth in this Lease, Tenant shall have committed a "Tenant's Default." If (1) Tenant's Default shall continue for five (5) business days after notice from Landlord of Tenant's nonpayment of Fixed Rent or Additional Rent (provided notice of nonpayment of Fixed Rent shall not be required to be given more than once in any calendar year), or for thirty (30) days after notice from Landlord specifying in what manner Tenant has failed to perform any other covenant or obligation (except that if Tenant's Default cannot be cured within said thirty (30) day period, this period shall be extended for a reasonable additional time not to exceed ninety (90) days or any longer period of time required as the result of Excusable Delay), provided that Tenant commences to cure Tenant's Default within the thirty (30) day period and proceeds diligently thereafter to effect such cure) or (2) (i) Tenant makes any assignment or arrangement for the benefit of creditors or files a petition in bankruptcy or for any other relief under Title 11 of the United States Code ("Bankruptcy Code"), or the insolvency laws of any state, or any other applicable statute ("Insolvency Laws"), or (ii) an involuntary petition in bankruptcy or for reorganization or arrangement under the Bankruptcy Code or Insolvency Laws is filed against Tenant and such involuntary petition is not withdrawn, dismissed, or discharged within ninety (90) days from the filing thereof, or (iii) a receiver or trustee to take possession of the property of Tenant or of Tenant's business or assets is appointed and the order or decree appointing such receiver or trustee shall have remained in force undischarged for thirty (30) days after the entry of such order or decree; then an "Event of Default" shall be deemed to have occurred and Landlord may exercise any remedies provided in Section 25.01 (b) below or otherwise available to Landlord under this Lease or applicable law.

(b) If an Event of Default shall have occurred, Landlord shall have (in addition to all other rights and remedies provided by law or otherwise provided by this Lease) the right, at the option of the Landlord, then or at any time thereafter while such Event of Default shall continue, to elect any one or more of the following:

- (1) To continue this Lease in full force and effect (so long as Landlord does not terminate this Lease), and Landlord shall have the right to collect Fixed Rent, Additional Rent and other charges when due for the remainder of the Term; and/or
- (2) To cure such default or defaults at its own expense and without prejudice to any other remedies which it might otherwise have; and any payment made or expenses incurred by Landlord in curing such default with interest thereon at the Default Rate (as hereafter defined) to be and become Additional Rent to be paid by Tenant with the next installment of Fixed Rent falling due thereafter; and/or
- (3) To re-enter the Leased Premises, without notice, and dispossess Tenant and anyone claiming through or under Tenant by summary proceedings or otherwise, and remove their effects, and take complete possession of the Leased Premises and either (a) declare this Lease terminated and the Term ended, or (b) elect to continue this Lease in full force and effect, but with the right at any time thereafter to declare this Lease terminated and the Term ended. In such re-entry, Landlord may, with or without process of law, remove all persons from the Leased Premises, and Tenant hereby covenants in such event, for itself and all others occupying the Leased Premises under Tenant, to peacefully yield up and surrender the Leased Premises to Landlord. If Landlord elects to terminate this Lease and/or elects to terminate Tenant's right of possession, every obligation of Landlord contained in this Lease shall cease without prejudice to Tenant's liability for all Rent, Additional Rent, and other sums owed by Tenant herein.

Should Landlord declare this Lease terminated and the Term ended (pursuant to Section 25.01(b)(3)(a) above), the Landlord shall be entitled to recover from Tenant the Fixed Rent, Additional Rent, and all other sums due and owing by Tenant to the date of termination, plus the costs of curing all Tenant's defaults existing at or prior to the date of termination, plus the costs of recovering possession of the Leased Premises, plus the costs of reletting the Leased Premises including, but not limited to repairs to the Leased Premises, costs to prepare and refinish the Leased Premises for reletting, leasing commissions, rental concessions, and legal fees and costs, plus other actual or consequential damages suffered or incurred by Landlord due to all Events of Default (including without limitation, late fees or other charges incurred by Landlord under any mortgage), plus the deficiency, if any, between Tenant's Fixed Rent and Additional Rent for the balance of the Term and the rent obtained by Landlord under another lease for the Leased Premises for the balance of the Term remaining under this Lease on the date of termination.

Should Landlord elect to continue this Lease (pursuant to Section 25.01(b)(3)(b) above), Landlord shall be entitled to recover from Tenant the Fixed Rent, Additional Rent and all other sums due and owing by Tenant up to the date of dispossession, plus the costs of curing all Events of Default existing at or prior to the date of dispossession, plus the Fixed Rent, Additional Rent and all other sums owed by Tenant on a continuing basis as said amounts accrue to the end of the

Term, less the rental which Landlord receives during such period, if any, from others to whom the Leased Premises may be relet, plus the cost of recovering possession of the Leased Premises, plus the costs of reletting including, but not limited to repairs to the Leased Premises, costs to prepare and refinish the Leased Premises for reletting, leasing commissions, rental concessions, and legal fees and costs. Any suit brought by Landlord to enforce collection of such deficiency for any one month shall not prejudice Landlord's right to enforce the collection of any deficiency for any subsequent month in subsequent separate actions, or Landlord may defer initiating any such suit until after the expiration of the Term (in which event such deferral shall not be construed as a waiver of Landlord's rights as set forth herein and Landlord's cause of action shall be deemed not to have accrued until the expiration of the Term), and it being further understood that if Landlord elects to bring suits from time to time prior to reletting the Leased Premises, Landlord shall be entitled to its full damages through the date of the award of damages without regard to any rent, additional rent or other sums that are or may be projected to be received by Landlord upon a subsequent reletting of the Leased Premises. In the event that Landlord relets the Leased Premises together with other premises or for a term extending beyond the scheduled expiration of the Term, it is understood that Tenant will not be entitled to apply against Landlord's damages any rent, additional rent or other sums generated or projected to be generated by either such other premises or the period extending beyond the scheduled expiration of the Term. Landlord shall use commercially reasonable efforts to relet and rent the Leased Premises with or without advertising for the remainder of the Term, or for such longer or shorter period as Landlord shall deem advisable.

In lieu of the amounts recoverable by Landlord pursuant to the two immediately preceding paragraphs, but in addition to other remedies and amounts otherwise recoverable by Landlord in this Lease, Landlord may, at its sole election, (i) terminate this Lease, (ii) collect all Fixed Rent, Additional Rent, and other sums due and owing by Tenant up to the date of termination, and (iii) accelerate and collect Fixed Rent, Additional Rent and all other sums required to be paid by Tenant through the remainder of the Term ("Accelerated Rent"), which Accelerated Rent shall be discounted to present value using an interest rate equal to five percent (5.0%) per annum ("Present Value Accelerated Rent"). Landlord shall use commercially reasonable efforts to relet and rent the Leased Premises with or without advertising for the remainder of the Term, or for such longer or shorter period as Landlord shall deem advisable. In the event Landlord is successful in reletting the Leased Premises for any part of the remainder of the Term, and provided Tenant has paid to Landlord all sums required to be paid by Tenant pursuant to this paragraph, Landlord shall forward to Tenant the rent associated with such reletting ("Reletting Rent") as and when the Reletting Rent is collected by Landlord. Notwithstanding the previous sentence, Landlord shall forward to Tenant any Reletting Rent only (i) after Landlord has first been reimbursed from the Reletting Rent for any and all costs associated with such reletting including, but not limited to repairs to the Leased Premises, costs to prepare and refinish the Leased Premises for reletting, leasing commissions, rental concessions, and legal fees; and (ii) until the earlier of (a) the last day of the Term, or (b) the point in time Tenant has been reimbursed, in the aggregate, an amount equivalent to the Present Value Accelerated Rent actually paid to Landlord pursuant to this paragraph. In no event shall Landlord be liable for, nor shall Tenant's obligations hereunder be diminished by reason of, any failure by Landlord to relet all or any portion of the Leased Premises or to collect any rent due upon such reletting.

(c) Tenant, on its own behalf and on behalf of all persons claiming through or under Tenant, including all creditors, does hereby specifically waive and surrender any and all rights and privileges, so far as is permitted by law, which Tenant and all such persons might otherwise have under any present or future law (1) to the service of any notice to quit or of Landlord's intention to re-enter or to institute legal proceedings, which notice may otherwise be required to be given, (2) to redeem the Leased Premises, (3) to re-enter or repossess the Leased Premises, (4) to restore the operation of this Lease, with respect to any dispossession of Tenant by judgment or warrant of any court or judge, or any re-entry by Landlord, or any expiration or termination of this Lease, whether such dispossession, re-entry, expiration or termination shall be by operation of law or pursuant to the provisions of this Lease, or (5) which exempts property from liability for debt or for distress for rent. Tenant hereby consents to the exercise of personal jurisdiction over it by any federal or local court in the jurisdiction in which the Leased Premises is located.

(d) No re-entry by Landlord or any action brought by Landlord to remove Tenant from the Leased Premises shall operate to terminate this Lease unless Landlord shall have given written notice of termination to Tenant, in which event Tenant's liability shall be as above provided. No right or remedy granted to Landlord herein is intended to be exclusive of any other right or remedy, and each and every right and remedy herein provided shall be cumulative and in addition to any other right or remedy hereunder or now or hereafter existing in law or equity or by statute. In the event of termination of this Lease, Tenant waives any and all rights to redeem the Leased Premises either given by any statute now or herein enacted.

(e) All amounts owed by Tenant to Landlord pursuant to any provision of this Lease shall bear interest from the date due until paid at the "Default Rate", which shall mean the Interest Rate.

Section 25.02. DEFAULT BY LANDLORD.

(a) If and when Tenant discovers that Landlord made a representation in this Lease which was intentionally false or misleading in any material respect when made, or that Landlord has committed a material breach of any of the warranties made in this Lease, or if Landlord fails to perform or observe any of its covenants or obligations set forth in this Lease, Landlord shall have committed a "Landlord's Default". In such case, Tenant may give Landlord notice of Landlord's Default and, if Landlord's Default is not cured by Landlord within the period of time provided for elsewhere in this Lease and otherwise within thirty (30) days after the delivery of such notice (except that if Landlord's Default cannot be cured within said thirty (30) day period, this period shall be extended for a reasonable additional time, provided that Landlord commences to cure Landlord's Default within the thirty (30) day period and proceeds diligently thereafter to effect such cure), Tenant may exercise any one or more of the rights and remedies available at law or in equity or granted to Tenant in this Lease.

(b) Tenant agrees to give any holder of any first mortgage or first trust deed in the nature of a mortgage (both hereinafter referred to as a "First Mortgage") against the Project, or any interest therein, by registered or certified mail, a copy of any notice or claim of default served upon Landlord by Tenant, provided that prior to such notice, Tenant has been notified in writing of the address of such First Mortgage holder. Tenant further agrees that if Landlord shall have

failed to cure any such default within twenty (20) days after such notice to Landlord (or if such default cannot be cured or corrected within that time, then such additional time as may be necessary if Landlord has commenced within such twenty (20) days and is diligently pursuing the remedies or steps necessary to cure or correct such default), then the holder of the First Mortgage shall have an additional thirty (30) days within which to cure or correct such default (or if such default cannot be cured or corrected within that time, then such additional time as may be necessary if such holder of the First Mortgage has commenced within such thirty (30) days and is diligently pursuing the remedies or steps necessary to cure or correct such default, including the time necessary to obtain possession if possession is necessary to cure or correct such default.

ARTICLE TWENTY-SIX

RULES AND REGULATIONS

Section 26.01. TENANT'S OBLIGATION. Tenant shall abide by and observe the rules and regulations marked EXHIBIT F and such other rules and regulations which are necessary for the safety, security, care and appearance of the Project or the preservation of good order therein, or for the operation and maintenance of the Project or equipment therein (the "Rules and Regulations"); provided the same are in conformity with common practice and usage in first class commercial office buildings, are not inconsistent with the provisions of this Lease and apply to all tenants and occupants of the Building, and provided further that a copy thereof is received by Tenant.

Section 26.02. STANDARDS APPLICABLE TO LANDLORD. Landlord shall (a) not discriminate against Tenant when enforcing the Rules and Regulations; (b) not unreasonably withhold, delay or condition its consent to any approval required by Tenant under the Rules and Regulations, and (c) exercise its judgment in good faith in any instance when the exercise of Landlord's judgment under the Rules and Regulations is required.

Section 26.03. LANDLORD'S ENFORCEMENT. Landlord shall use reasonable efforts to obtain compliance of the Rules and Regulations by all tenants and other occupants within the Project limits, but Landlord may permit reasonable waivers so long as such waivers do not unreasonably interfere with or materially and adversely affect Tenant in the conduct of its business in the Leased Premises or violate any rights granted to Tenant under this Lease.

Section 26.04. CONFLICT. If there is a conflict between or ambiguity created by the provisions of this Lease and the Rules and Regulations published pursuant to this ARTICLE, the provisions of this Lease shall control and be binding on the parties hereto.

ARTICLE TWENTY-SEVEN

MECHANICS' LIENS

During the Term, Tenant shall discharge by payment, bond or otherwise those mechanics' liens filed against the Project for work, labor, services or materials claimed to have been

performed at or furnished to the Leased Premises for or on behalf of Tenant, except that Tenant shall not be liable hereunder when any mechanics' lien is filed by a contractor, supplier, materialman or laborer retained by or on behalf of Landlord.

ARTICLE TWENTY-EIGHT

TENANT'S SECURITY

INTENTIONALLY DELETED.

ARTICLE TWENTY-NINE

FIRST REFUSAL - SALE

INTENTIONALLY DELETED.

ARTICLE THIRTY

HOLDOVER

If Tenant remains in the Leased Premises beyond the expiration or earlier termination of the Term, such holding over in itself shall not constitute a renewal or extension of this Lease but, in such event a tenancy from month to month shall arise at one hundred fifty percent (150%) of the then monthly Fixed Rent. The provisions of this ARTICLE do not waive Landlord's rights of re-entry and eviction or any other right granted to Landlord hereunder.

ARTICLE THIRTY-ONE

ENVIRONMENTAL STATUS

As of the date hereof, Landlord represents to Tenant that, except as may be disclosed in the Phase I Environmental Report prepared by Environmental Consulting Services, Ltd. dated December 12, 2001, a copy of which has been delivered to Tenant, to the best of Landlord's knowledge, there are no solid or hazardous wastes, asbestos containing materials, polychlorinated biphenyls, random or hazardous or petroleum substances (collectively, Hazardous Materials") which are present on the Leased Premises or any other part of the Building in violation of the Law, and that no part of the Building is being used for the disposal, storage, treatment or use of Hazardous Materials. The foregoing shall not apply to Hazardous Materials that are customarily and lawfully used and stored in connection with the operation, maintenance or use of commercial office buildings. As used herein, to "to the best of Landlord's knowledge" means the actual knowledge (and not the implied or constructive knowledge) without any duty of investigation or inquiry of Mark Scholz, Landlord's asset manager for the Project.

ARTICLE THIRTY-TWO

PARTIAL INVALIDITY

If any covenant, condition or provision of this Lease, or the application thereof to any Person or circumstance, shall be held to be invalid or unenforceable, then in each such event the remainder of this Lease or the application of such covenant, condition or provision to any other Person or any other circumstance (other than those as to which it shall be invalid or unenforceable) shall not be thereby affected, and each covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by the Law.

ARTICLE THIRTY-THREE

WAIVERS

Failure by either party hereto to complain of any action, inaction or breach of obligation hereunder of the other party shall not constitute a waiver of the aggrieved party's rights hereunder. Waiver by either party of any right to claim a breach of obligation hereunder of the other party shall not constitute a waiver of any right to claim a subsequent breach of such obligation or to claim any other failure of performance hereunder, past, present or future. Landlord and Tenant hereby waive trial by jury in any action, proceeding or counterclaim brought by either against the other concerning any matters whatsoever arising out of or in any way connected with this Lease or the relationship of the parties hereunder.

ARTICLE THIRTY-FOUR

ESTOPPEL CERTIFICATES

Section 34.01. TENANT'S ESTOPPEL CERTIFICATE. At any time and from time to time upon not less than ten (10) days prior notice from Landlord, Tenant shall execute, acknowledge and deliver to Landlord or any Person designated by Landlord a statement in writing (1) certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (2) whether or not the Term has commenced and if it has commenced, stating the dates to which the Fixed Rent and Additional Rent have been paid by Tenant, and (3) stating, to the best of Tenant's knowledge, whether or not Landlord is in default in the performance of any covenant, agreement or condition contained in this Lease, and if Tenant has knowledge of such a default, specifying each such default.

Section 34.02. LANDLORD'S ESTOPPEL CERTIFICATE. Prior to commencement of and during the Term Landlord shall, within ten (10) days after receipt of Tenant's request, deliver an estoppel certificate to Tenant or any Person designated by Tenant relative to the status of this Lease and/or any ground lease, underlying lease and/or mortgage encumbering the Project.

ARTICLE THIRTY-FIVE

EXECUTION OF LEASE

THIS DOCUMENT SHALL NOT BE A VALID AGREEMENT WHICH IS BINDING ON EITHER PARTY HERETO UNTIL AT LEAST ONE (1) COUNTERPART, EXECUTED BY DULY AUTHORIZED REPRESENTATIVES OF LANDLORD AND TENANT, HAS BEEN DELIVERED BY EACH PARTY TO THE OTHER.

ARTICLE THIRTY-SIX

SURRENDER OF POSSESSION

Subject to Section 9.02, at the expiration or earlier termination of the Term, Tenant will peaceably yield up the Leased Premises to Landlord in the same condition as on the commencement of the Term reasonable wear and tear and changes to the Leased Premises approved in writing (unless removal thereof is a condition of approval) excepted..

ARTICLE THIRTY-SEVEN

QUIET ENJOYMENT

Provided that Tenant performs the covenants and obligations in this Lease on Tenant's part to be performed, Landlord covenants and agrees to take all necessary steps to secure and to maintain for the benefit of Tenant the quiet and peaceful possession of the Leased Premises and the Common Building Facilities for the Term, without hindrance, claim or molestation by Landlord or any other Person.

ARTICLE THIRTY-EIGHT

EXCUSABLE DELAY

Except as otherwise provided in Section 25.01 and 25.02, whenever a party hereto is required by the provisions of this Lease to perform an obligation and such party is prevented beyond its reasonable control from doing so by reason of an Excusable Delay, such party shall be temporarily relieved of its obligation to perform, provided it promptly notifies the other party of the specific delay and exercises due diligence to remove or overcome it.

ARTICLE THIRTY-NINE

ARBITRATION

INTENTIONALLY DELETED.

ARTICLE FORTY
EQUAL EMPLOYMENT OPPORTUNITY
INTENTIONALLY DELETED.

ARTICLE FORTY-ONE
MEMORANDUM OF LEASE

This Lease shall not be filed on the public record by either Landlord or Tenant.

ARTICLE FORTY-TWO
COUNTERPARTS

When several counterparts of this Lease have been executed, each shall be considered an original for all purposes; provided, however, that all counterparts shall, together, constitute one and the same instrument.

ARTICLE FORTY-THREE
BINDING AGREEMENT

This Lease shall bind and inure to the benefit of Landlord and its executors, distributees and heirs, and to Tenant's and Landlord's respective representatives, successors and permitted assigns. By delivering to the other a signed counterpart of this Lease, Landlord and Tenant each hereby represent and warrant to the other that (a) execution and delivery of this Lease and performance of the obligations on its part to be performed hereunder are within its power and authority and has been duly authorized by all necessary action required by its organization; (b) this Lease is a valid, legal and binding obligation of each and enforceable in accordance with its terms and (c) this Lease has been validly signed and delivered by duly authorized representatives of Landlord and Tenant.

ARTICLE FORTY-FOUR
ENTIRE AGREEMENT

This Lease, including all Exhibits and other attachments referred to herein, contains the entire agreement of Landlord and Tenant with respect to the matters stated herein, and may not be modified except by an instrument in writing which is signed by both parties and delivered by each to the other. Exhibits and such other attachments are incorporated herein as fully as if their contents were set out in full at each point of reference to them.

ARTICLE FORTY-FIVE

MISCELLANEOUS

Section 45.01. NO EXCLUSIVE REMEDIES. Except as specifically set forth to the contrary in this Lease, no remedy or election given by any provision in this Lease shall be deemed exclusive, but each shall, wherever possible, be cumulative in addition to all other remedies at Law or in equity which either party may have arising out of an event of default of the other party.

Section 45.02. EXCULPATORY PROVISIONS.

It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, warranties, covenants, undertakings, indemnities and agreements herein made on the part of Landlord while in form purporting to be the representations, warranties, covenants, undertakings, indemnities and agreements of Landlord are nevertheless each and every one of them made and intended, not as personal representations, warranties, covenants, undertakings, indemnities and agreements by Landlord or for the purpose or with the intention of binding Landlord personally, but are made and intended for the purpose only of subjecting Landlord's interest in the Project to the terms of this Lease and for no other purpose whatsoever, and in case of default hereunder by Landlord, Tenant shall look solely to the interests of Landlord (or its successors or assigns) in the Project. Landlord shall not have any personal liability to pay any indebtedness accruing hereunder or to perform any covenant, either express or implied, herein contained. All such personal liability of Landlord, if any, is expressly waived and released by Tenant and by all persons claiming by, through or under Tenant.

Section 45.03. GOVERNING LAW. This Lease shall be governed in all respects by the Law of the State in which the Project is located.

Section 45.04. NON-DISCLOSURE OF LEASE.

(a) Landlord, its agents, employees and contractors shall keep the provisions of this Lease in confidence and shall not publish or disclose the same at any time prior to or during the Term except as permitted by ARTICLE FORTY-ONE.

(b) This Section shall not apply to disclosures that must be made by Landlord or Tenant to sell the Project, to obtain financing for the Project or to perform any "due diligence" activity or may be required by applicable governmental regulations or corporate regulations.

(SIGNATURE PAGE TO FOLLOW)

IN WITNESS WHEREOF, this Lease has been executed by the duly authorized representatives of Landlord and Tenant as of the date first above written.

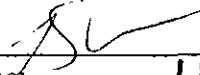
WITNESS:


LANDLORD:

SUNSET HILLS, LLC,
A Delaware limited liability company

By: Principal Office Investors, LLC,
A Delaware limited liability company
Its: Authorized Member

By: Principal Capital Real Estate Investors, LLC,
A Delaware limited liability company
Its: Authorized Signatory

MEB By: 
Name: L. S. Valentine
Title: Counsel

By: 
Name: Dennis D. Ballard
Title: Counsel

WITNESS:

TENANT:

INTERNATIONAL BUSINESS
MACHINES CORPORATION


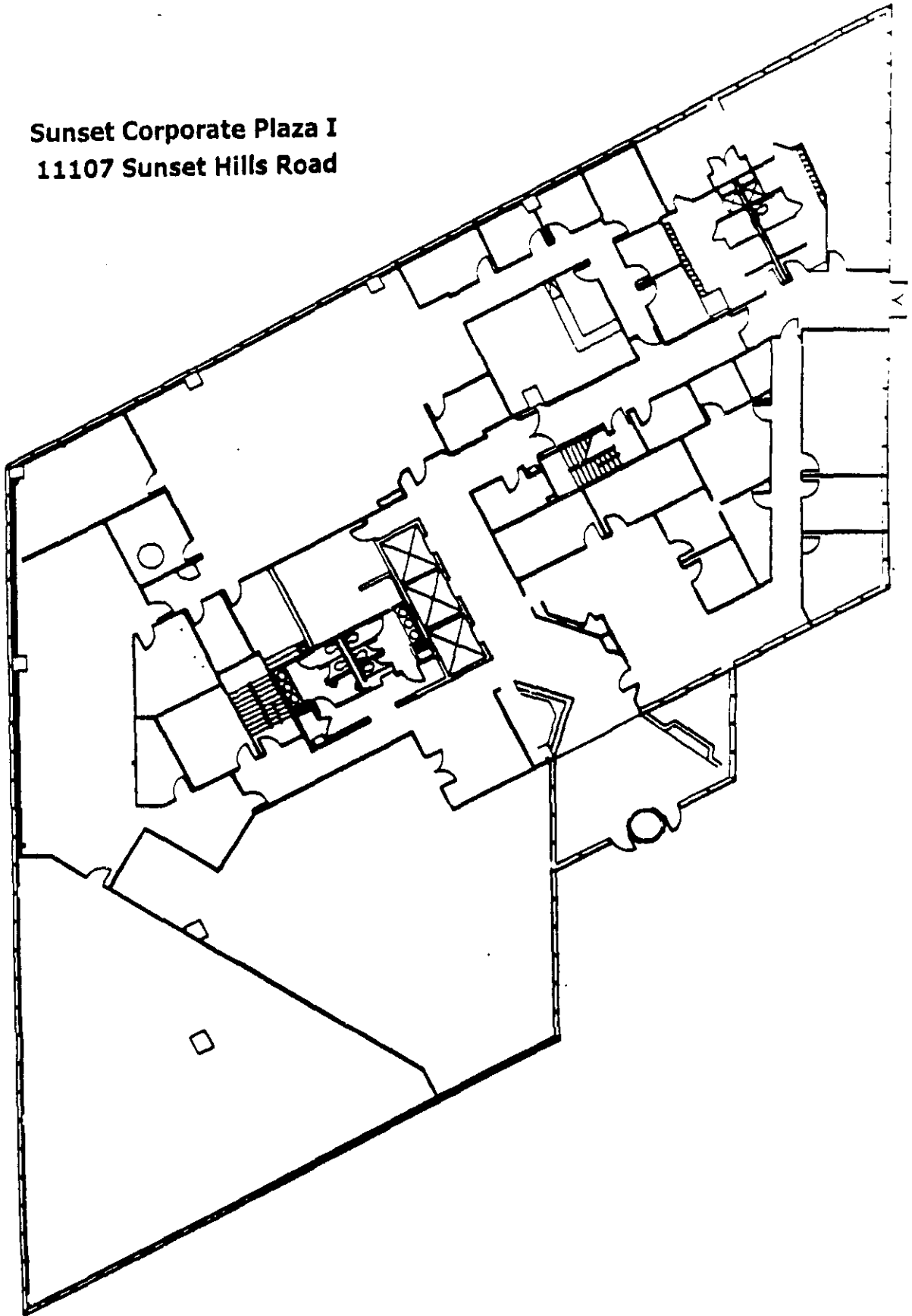
IMB By: 
Title: Program Manager

EXHIBIT A

FLOOR PLANS OF THE LEASED PREMISES

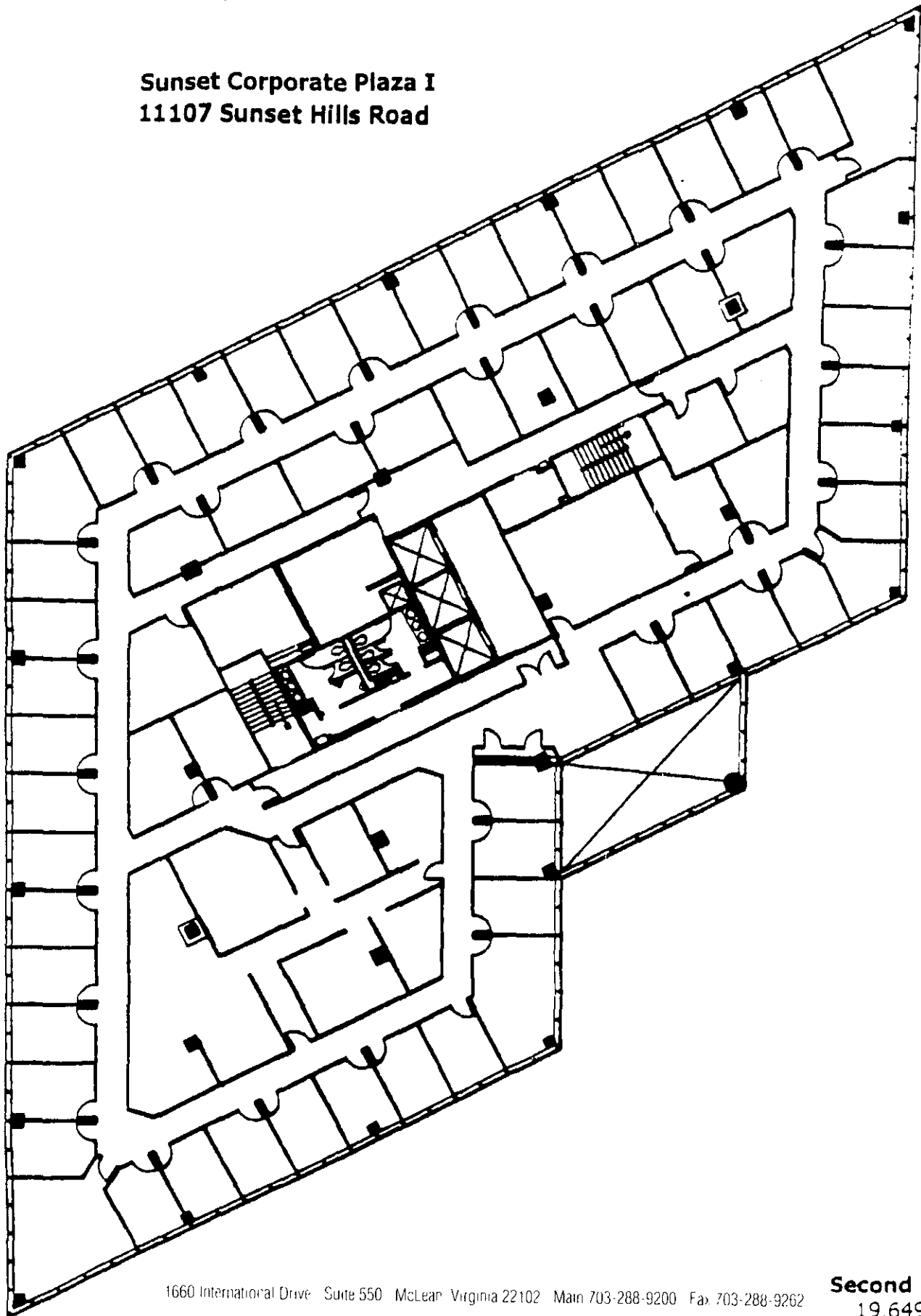
Trammell Crow Company

Sunset Corporate Plaza I
11107 Sunset Hills Road



Trammell Crow Company

Sunset Corporate Plaza I
11107 Sunset Hills Road

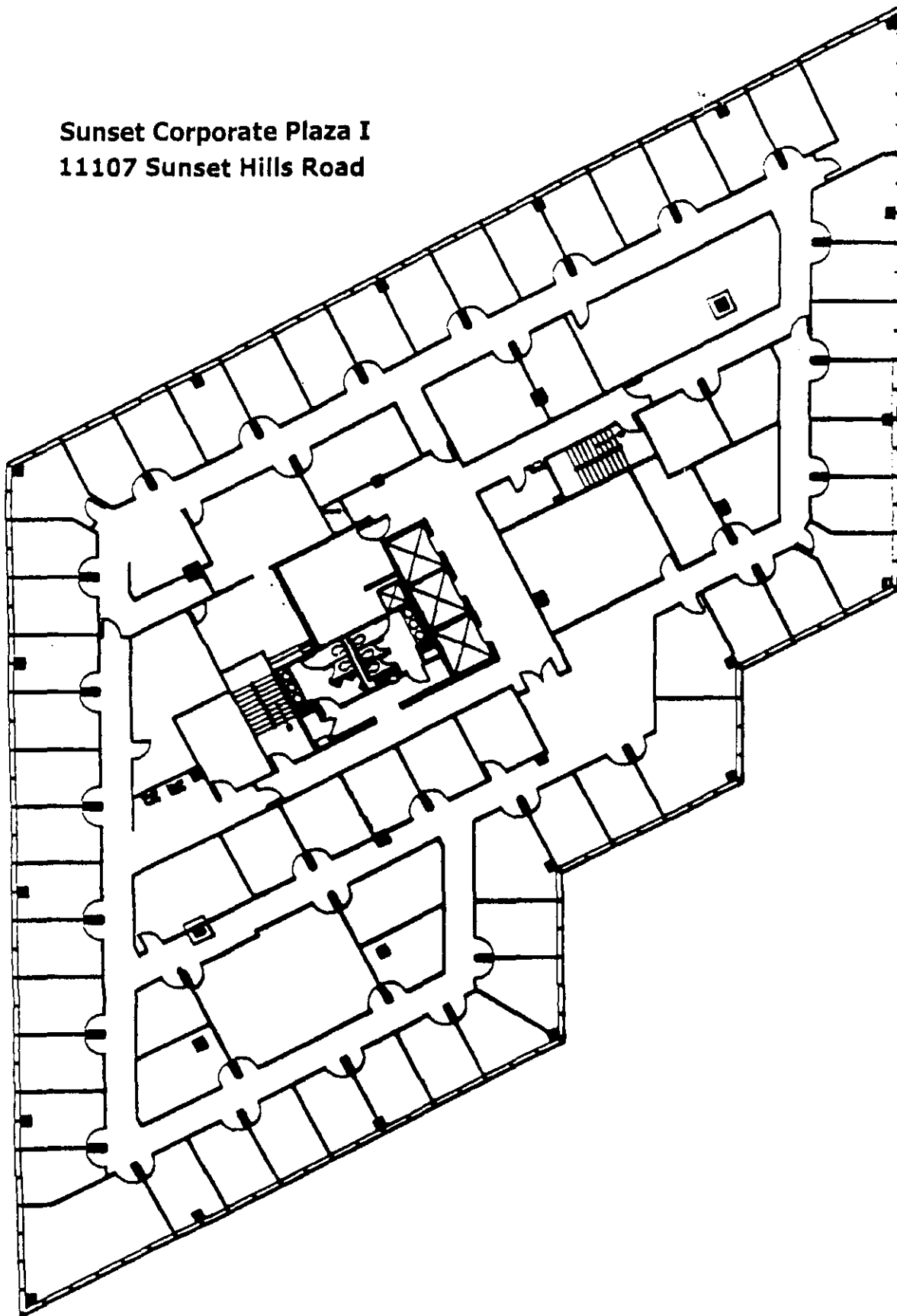


1660 International Drive Suite 550 McLean Virginia 22102 Main 703-288-9200 Fax 703-288-9262

Second Floor
19,649 sf

Trammell Crow Company

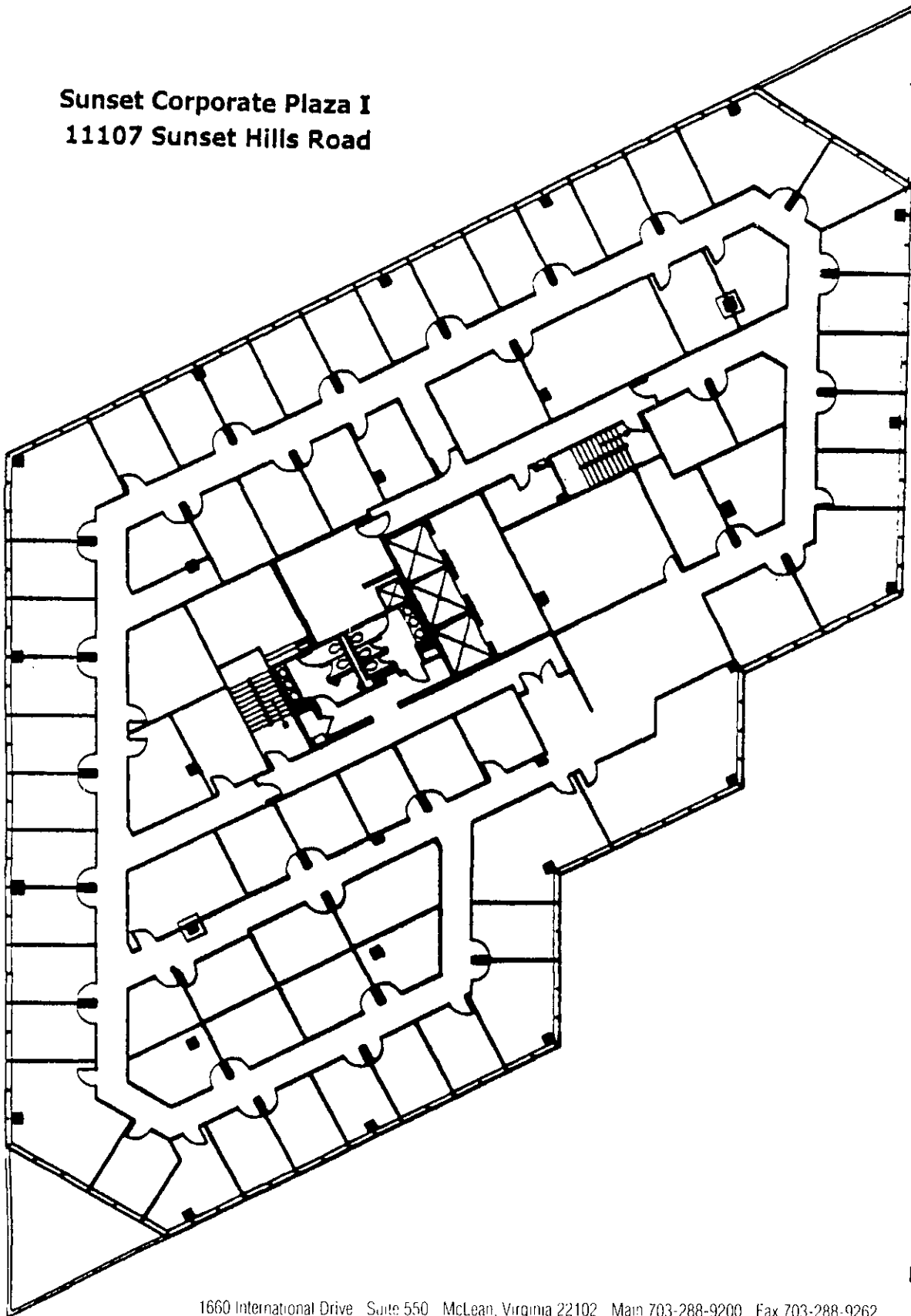
Sunset Corporate Plaza I
11107 Sunset Hills Road



Third Floor
20,281 sf

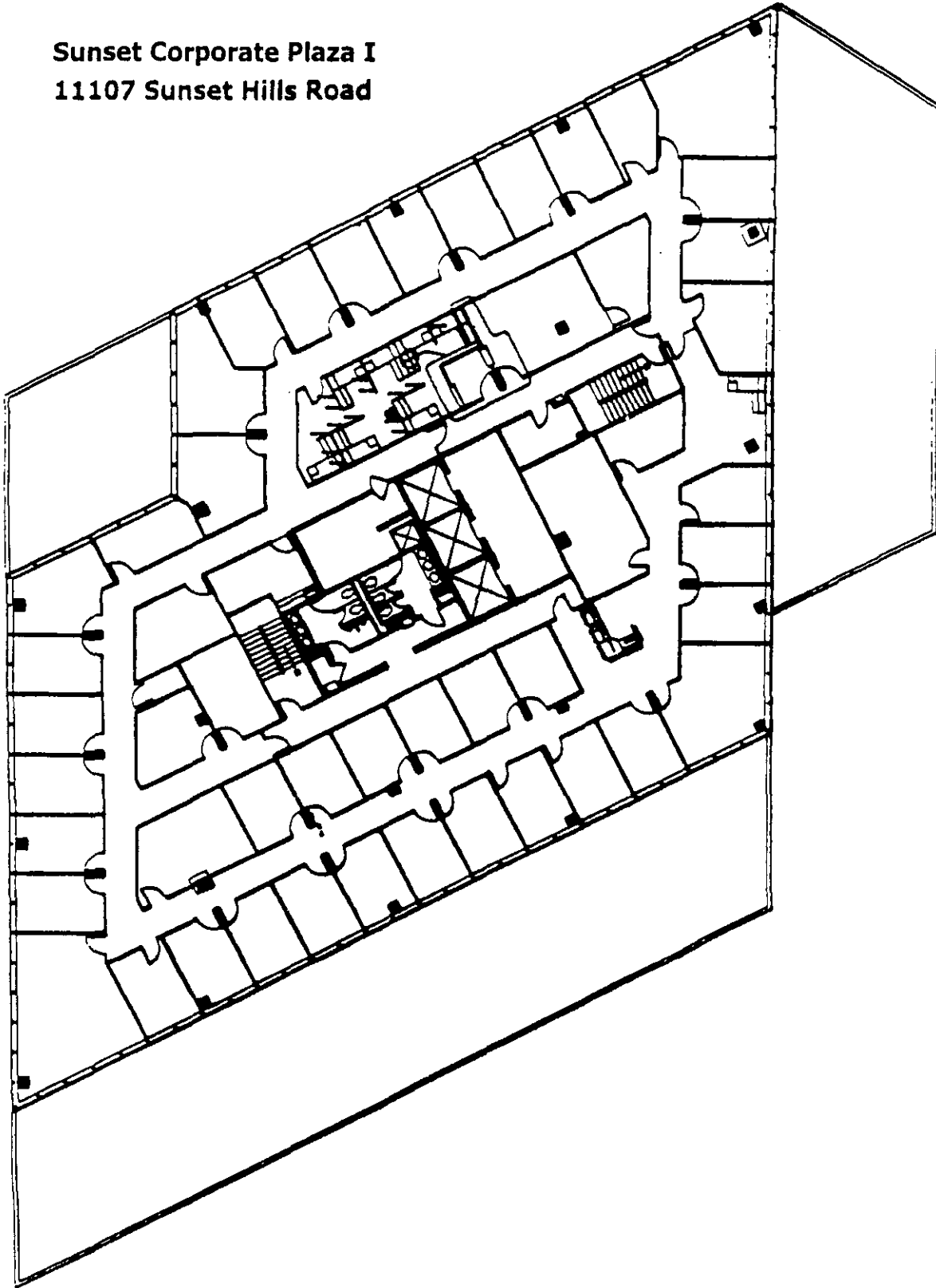
Trammell Crow Company

Sunset Corporate Plaza I
11107 Sunset Hills Road



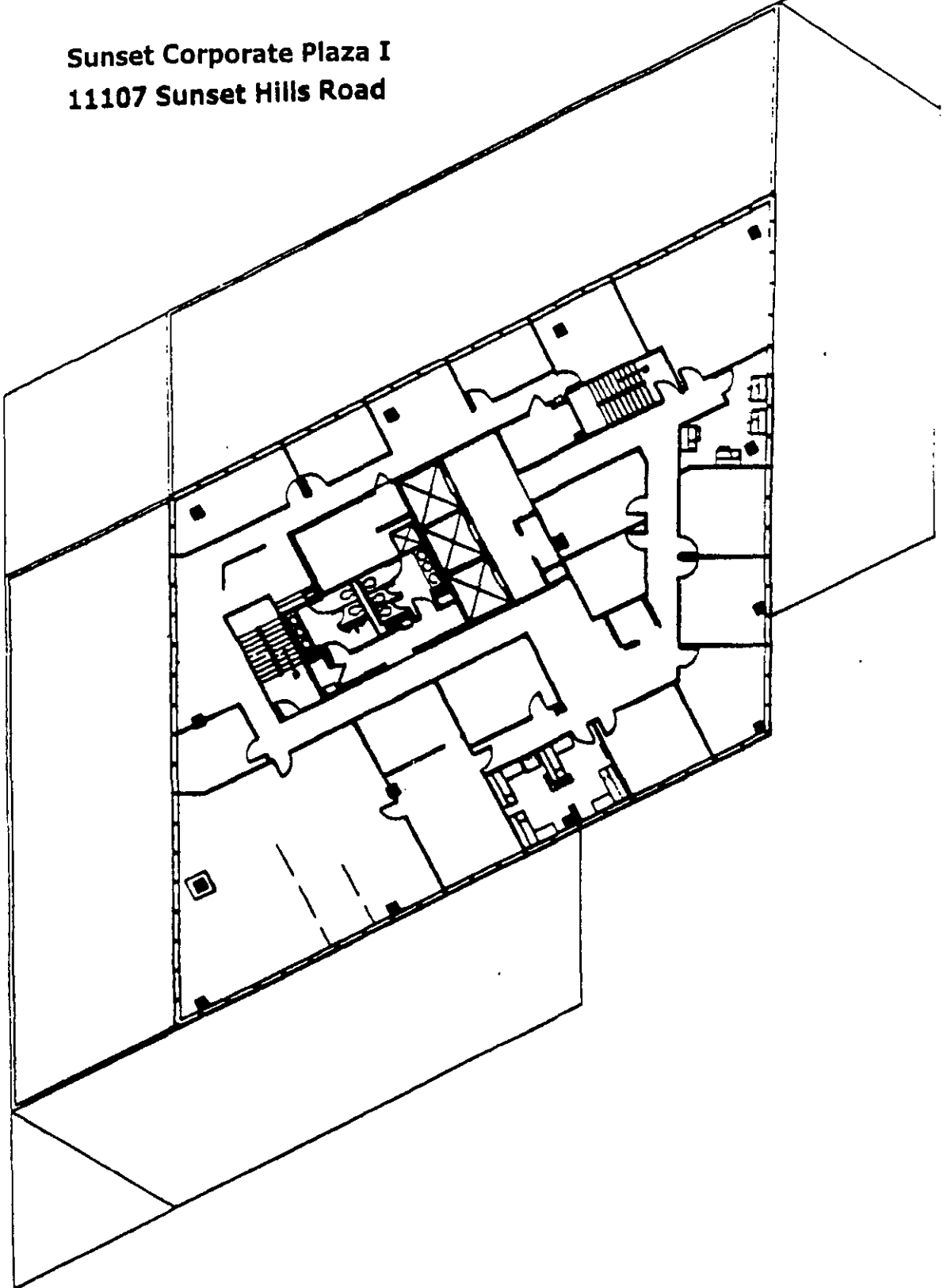
Fourth Floor
19,482 sf

**Sunset Corporate Plaza I
11107 Sunset Hills Road**



Trammell Crow Company

Sunset Corporate Plaza I
11107 Sunset Hills Road



Sixth Floor
8,414 sf

EXHIBIT A-1

LOADING DOCK

The area designated “loading entry” on Exhibit E.

EXHIBIT A-2

COMMON BUILDING FACILITIES

All corridors, elevators, fire stairs, aisles, walkways, service areas and lobbies within the Building, the Building Parking Area, the plaza adjacent to the Building and the areas designated as the Building's "Building Entry", "Loading Entry" and "Garage Entry" on Exhibit E.

EXHIBIT B

SUPPLEMENTAL AGREEMENT

By this Supplemental Agreement dated _____, the parties to the Lease dated _____ made by and between _____ as Landlord, and International Business Machines Corporation, as Tenant, agree as follows with respect to the Leased Premises located at _____:

1. The Work (Tenant's Improvements and Base Building) required to be constructed and finished by Landlord in accordance with the provisions of the Lease has been Substantially Completed by Landlord and accepted by Tenant, subject to latent defects and the completion of Punch List Items identified on the attachment hereto.

2. The Leased Premises have been delivered to and accepted by Tenant, subject to completion of the Punch List Items.

3. The Term Commencement Date of the Lease is _____, and the expiration date is _____ subject, however, to the provisions of the Lease.

4. The Leased Premises consists of _____ square feet of rentable area and the Building consists of _____ square feet of rentable area.

5. The Annual Rent shall be _____, payable in equal monthly installments of _____, subject, however, to the provisions of the Lease. The Annual Rent has been calculated at the annual rate of \$ _____ per square foot of rentable area of the Leased Premises.

IN WITNESS WHEREOF, this Supplemental Agreement has been executed by the duly authorized representatives of Landlord and Tenant as of the date first above written.

Landlord:

By: _____

Tenant: INTERNATIONAL BUSINESS
MACHINES CORPORATION

By: _____

EXHIBIT B-2

CANCELLATION AGREEMENT

This Cancellation Agreement (this "Agreement") is made on _____, 20__ by and between _____ ("Landlord") and _____ ("Tenant").

RECITALS

A. Landlord is the landlord and Tenant is the tenant under that certain Lease executed _____ (the "Lease"), pursuant to which Tenant leases certain premises located in the property known as _____ at _____, as more particularly described in the Lease (the "Premises").

B. Tenant has terminated its obligations under the Lease prior to the scheduled expiration date of the Lease in accordance with the terms of the Lease. Landlord is willing to confirm such early termination upon the terms and conditions set forth in the Lease and this Agreement.

Now, therefore, in consideration of the foregoing and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Termination of Lease. Subject to the terms and conditions of the Lease and this Agreement, Tenant has elected pursuant to Section 3.03 to terminate the Lease on _____ (the "Termination Date"). Except as set forth in the Lease and this Agreement, after the Termination Date, neither Landlord nor Tenant has any further obligations to the other pursuant to the Lease.

2. Termination Payment. Tenant has paid to Landlord a termination fee in the amount of _____ Dollars (\$ _____) pursuant to the terms of Section 3.03 of the Lease.

3. Lease Obligations. Tenant shall remain liable for its Tenant's Share (as defined in the Lease) of Real Estate Taxes (as defined in the Lease) and Operating Expenses (as defined in the Lease), and any other cost or expense for which Tenant is responsible under the Lease which accrues on or before the Termination Date. Tenant shall remain responsible for any personal property taxes assessed against the Premises and the personal property located therein or thereon with a lien date prior to the Termination Date, irrespective of the date of the billing therefor, and shall indemnify, defend and hold harmless Landlord with respect to any claims for such taxes or resulting from non-payment thereof.

4. Delivery of the Premises. Tenant has delivered to Landlord possession of the Premises in accordance with the terms of the Lease.

5. Representations and Covenants. Tenant represents, warrants and covenants as follows:

(a) There are no subtenants, franchisees, or concessionaires of Tenant with respect to the Premises and no other persons with a right of possession or use of the Premises granted by Tenant, and Tenant is the owner of Tenant's interest pursuant to the Lease, subject to no liens, claims or encumbrances.

(b) Tenant has paid or will pay all personal property taxes assessed against any personal property in or about the Premises prior to the Termination Date.

(c) Tenant shall neither take any action nor fail to take any action the result of which will be the imposition of any liens upon the Premises or the improvements thereon or therein or the creation of any claims against Landlord.

6. Miscellaneous.

(a) There are no agreements, understandings, commitments, representations or warranties between Landlord and Tenant with respect to the subject matter hereof except as expressly set forth in the Lease and this Agreement. This Agreement supersedes all prior oral or written negotiations, understandings and agreements with respect to the subject matter hereof.

(b) Time is expressly declared to be of the essence with respect to performance of all terms, covenants, provisions, and obligations of this Agreement.

(c) Subject to any restrictions against assignment contained in the Lease, this Agreement shall inure to the benefit of and shall be binding upon the heirs, executors, administrators, successors, and assigns of the parties hereto.

(d) This Agreement concerns real property located in the Commonwealth of Virginia and shall be governed by and construed in accordance with Virginia law.

(e) Each party acknowledges that such party has read and understands this Agreement in its entirety and has been advised to seek the advice of legal counsel or other expert consultants with respect to the effect of this Agreement. No provision in this Agreement is to be interpreted for or against either party because that party or such party's legal representative drafted such provision.

[SIGNATURES APPEAR ON THE FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties hereto have executed this Cancellation Agreement as of the day and year first written above

Landlord:

By: _____

Tenant: INTERNATIONAL BUSINESS
MACHINES CORPORATION

By: _____

EXHIBIT C

HEAT, VENTILATION AND AIR CONDITIONING SPECIFICATIONS

Landlord shall provide heat, ventilation and air conditioning on a year-round basis throughout the Leased Premises and Common Building Facilities. The equipment shall be capable of maintaining the following indoor design conditions:

Winter: 72 degrees FDB with 30% RH
Summer: 78 degrees FDB with 55% RH

The equipment shall permit operation within the parameters defined by the "Comfort Chart" shown in the latest edition of ASHRAE Standard 55, "Thermal Environmental Conditions For Human Occupancy."

The minimum outdoor air supply rates shall not be less than 0.15 cfm/npsf or 20 cfm/person of outdoor air, whichever is greater. Outdoor air for ventilation shall meet the requirements of the latest edition of ASHRAE Standard 62, "Ventilation For Acceptable Indoor Air Quality" applicable at the time of construction of the Building.

The central HVAC equipment shall be capable of cooling a process load (personal computers) in every work station. The planning load for each workstation is 250 watts.

Systems serving general office areas shall be equipped with 80% efficiency filters, rated in accordance with the atmospheric dust spot method per ASHRAE Standard 52, "Method Of Testing Air Cleaning Devices Used In General Ventilation For Removing Particulate Matter."

EXHIBIT D

CLEANING AND JANITOR SERVICES

Landlord shall furnish cleaning and janitorial services to the Project as described below:

SPECIFICATIONS FOR CLEANING

GENERAL COMMON AREAS

DAILY

- Empty all wastebaskets and reline.
- Dust and clean lobby furniture.
- Clean composition and tile floors (sweep and mop), and maintain uniform finish.
- Dust all window ledges and frames.
- Polish all architectural metal.
- Vacuum all carpeted areas and spot clean as necessary.
- Dust, clean and spot clean all pictures and wall hangings.
- Clean, polish and sanitize drinking fountains.
- Vacuum all carpeting to remove soil, loose paper and trash. Spot clean to remove spots.

SPECIFICATIONS FOR CLEANING

TENANT SPACES

DAILY

- Empty all wastebaskets and reline. Replace plastic liner as required. Remove trash to designated area.
- Recyclable materials removed to designated areas.
- Dust and wipe clean tables, bookcases, file cabinets, chairs and chair bases with treated cloth. Desks and credenzas will be dusted and wiped with treated cloth so as not to disturb papers and other articles therein.
- Clean all glass furniture tops.
- Vacuum all carpeting, detail all corners.
- Spot clean all carpeting.
- Sweep and mop all non-carpeted area and maintain uniform finish.
- Clean all interior partitions, glass windows and glass entrance doors.
- Clean all countertops in kitchen areas. Remove dust from all spaces above finished floor.
- Wash, clean and polish all water coolers.

WEEKLY

- Dust and clean all window frames, windowsills, chair rails, pictures or wall hangings above finished floor.
- Buff all composition floors, maintain uniform finish.
- High dusting of all areas with treated cloth.

MONTHLY

- Clean all baseboards.
- Dust all window blinds.
- Dust all lighting, and ventilation fixtures.
- Sweep and wet mop Warehouse.

BATHROOMS

- Empty all trashcans and replace liners daily.
- Clean and disinfect sinks, toilets, countertops, floors and partitions daily.
- Clean mirrors and chrome to shine daily.
- Restock all supplies (toilet paper, paper towels and soap) daily.
- Clean and disinfect floor daily.

EQUIPMENT AND SUPPLIES

- The contractor shall furnish all necessary cleaning supplies and equipment (liners, chemicals, soap, hand towels and toilet paper) for restrooms and tenant spaces.
-

TENANT SHALL PAY ANY INCREASED COSTS OF JANITORIAL OR CLEANING SERVICES ATTRIBUTABLE THE REQUIREMENTS RELATED TO THE SECURED AREAS OF THE LEASED PREMISES AND OTHER SECURITY REQUIREMENTS OF TENANT.

EXHIBIT E

BUILDING PARKING AREA

EXHIBIT E-1
ADJACENT LOT AGREEMENT

*2nd
Floor
Plans
Here*



PARKING LEASE

This **PARKING LEASE** (this "**Lease**") is entered into effective as of December ____, 2001, by and between **AC ASSOCIATES II LIMITED PARTNERSHIP**, a Virginia limited partnership ("**Landlord**") and **SUNSET HILLS, LLC**, a Delaware limited liability company ("**Tenant**"). (Each of Landlord and Tenant are hereinafter sometimes referred to as an "**Owner**" and collectively as the "**Owners**".)

RECITALS

R-1. Landlord is the owner of certain real property located in the County of Fairfax, Commonwealth of Virginia and legally described in Exhibit "A" attached hereto and made a part hereof (the "**Sunset III Property**"), upon which property Landlord intends to construct or have constructed an approximately 170,000 square foot office building, surface and structured parking facilities, and other related improvements (collectively, the "**Sunset III Development**").

R-2. Tenant is the owner of certain real property located adjacent to the Sunset III Property in the County of Fairfax, Commonwealth of Virginia and legally described in Exhibit "B" attached hereto and made a part hereof (the "**Sunset Corporate Plaza**"), upon which property is constructed two (2) office buildings known as 11107 and 11109 Sunset Hills Road, Reston, Virginia (collectively, the "**Office Buildings**").

R-3. In accordance with that certain Water Line Connection and Parking Rights Agreement between Landlord and Tenant of even date herewith (the "**Water Line Agreement**"), Landlord is to grant to Tenant a parking lease upon the Sunset III Property, as more particularly set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

A. PARKING LEASE

1. Landlord hereby grants to Tenant, for the use of Tenant and its licensees, tenants, employees, contractors, agents and other lawful occupants of and visitors to the Office Buildings (collectively, the "**Office Building Parties**"), a lease to use the existing surface parking lot upon the portion of the Sunset III Property that fronts Sunset Hills Road and contains approximately One Hundred Seventy-Seven (177) parking spaces (the "**Existing Surface Lot**"). The Lease includes the right to use adjacent parking aisles and driveways and adjacent sidewalks and pedestrian walkways that are currently in place upon the Sunset III Property, but is limited to the use of seventy-five (75) parking spaces (collectively, the "**Sunset III Parking Facilities**") for the sole purpose of the parking of automobiles and the providing of pedestrian and vehicular

ingress and egress to and from the Existing Surface Lot to the Office Buildings and to Sunset Hills Road (the "**Parking Rights**"). The location of the Existing Surface Lot upon the Sunset III Property, and the general location of the 75 parking spaces, is shown on the plat attached hereto and made a part hereof as Exhibit "C". The Landlord has the right to relocate the area of the 75 parking spaces upon the Existing Surface Lot, at its sole discretion, by providing Tenant with at least ten (10) days advance written notice of such relocation.

2. The term of the Lease shall commence on February 1, 2002 and shall expire on January 31, 2003; provided, however, that the term of the Lease shall automatically continue for successive one-year terms through and until January 31, 2007, unless either party provides written notice to the other, at least 60 days before the end of the applicable one-year term, of its intent to terminate the Lease. If such notice is given, then this Lease shall terminate at the end of the applicable term. Notwithstanding any other term or condition hereof to the contrary, Landlord shall have the right, from and after January 31, 2003, to terminate this Lease by providing Tenant with sixty (60) days advance written notice of such termination. Said notice of termination must be accompanied by a statement from Landlord of its intent to commence the construction of the Sunset III Development.

3. Landlord represents, warrants and covenants that it has the right and authority to grant this Lease and that, as of the date of this Lease, the Sunset III Property is free and clear of all liens, the foreclosure of which could terminate the rights set forth in this Lease. Landlord represents that the Existing Surface Lot is currently encumbered by an unrecorded lease that shall expire by its own terms on January 31, 2002. There currently exists no mortgage, lease, license, easement or other right or agreement that could limit or affect Tenant's rights to or use of the Sunset III Parking Facilities pursuant to the terms of this Lease. The foregoing representations, warranties and covenants are not intended to prevent Landlord from allowing its lenders to place mortgages, deeds of trust or other security instruments after the date of this Lease.

4. Tenant and the Office Building Parties shall have the full and free use of the Parking Rights for the purposes named, and shall have all rights and privileges reasonably necessary to the enjoyment and exercise of the Parking Rights. Tenant shall also have the right, prior to the completion of the Sunset III Development and after at least ten (10) days prior written notice to Landlord, to trim, cut and remove trees, shrubbery, fences, structures or other obstructions or facilities upon the Sunset III Property which unreasonably interfere with the proper and efficient use of the Parking Rights for the purposes named. Tenant shall also have the right to maintain the Existing Surface Lot as necessary for the safe and prudent exercise of the Parking Rights. Tenant shall also be obligated to comply with all laws, ordinances and statutes applicable to its exercise of the Parking Rights.

5. Landlord reserves for itself and for its licensees, guests, patrons, employees, contractors, agents and other lawful occupants of and visitors to the Sunset III Property (collectively, the "**Sunset III Parties**") the right to make any use of the Sunset III Property which is not inconsistent with the rights herein conveyed and will not interfere with the use of the Parking Rights by Tenant and the Office Building Parties for the purposes herein named. Landlord specifically reserves the right to enter upon the Sunset III Property during the term of

this Lease to make borings, perform studies and tests, and take such other actions related to the potential construction of the Sunset III Development.

6. Tenant accepts the Existing Surface Lot in its "AS IS" condition and acknowledges that Landlord shall have no maintenance obligation with respect to the Existing Surface Lot.

B. MISCELLANEOUS

1. The Recitals hereto are incorporated herein as if fully set forth herein.

2. All provisions of this Lease, including the benefits and burdens, shall run with the land and be binding upon and inure to the benefit of parties hereto and their respective successors, assigns, personal representatives, lessees, permittees, agents and licensees, and such provisions shall be deemed to be enforceable equitable servitudes running with the land and shall bind any person having at any time any interest or estate in all or any portion of the Sunset III Property, as though such provisions were recited and stipulated in full in each and every deed of conveyance, license or lease thereof or occupancy Lease pertaining thereto. Prior to any sale, transfer or conveyance of the ownership of the Sunset III Property, Landlord shall provide the purchaser or transferee thereof with a copy of this Lease.

3. Notwithstanding anything to the contrary set forth herein, if Tenant or any of the Office Building Parties shall damage or cause to be damaged any of the Sunset III Parking Facilities, then Tenant shall promptly repair such damage, at its sole cost and expense. Each Owner shall maintain commercial general liability insurance against all claims for personal injury and property damage in an amount not less than Two Million Dollars (\$2,000,000.00) with respect to injuries in any one accident and Two Million Dollars (\$2,000,000.00) with respect to property damage, and shall provide evidence of same upon the request of the other party. Such insurance (i) may be maintained under a blanket policy, (ii) shall name, as an additional insured, the other Owner to the extent of any claim resulting from the negligence or willful misconduct of Tenant or any of the Office Building Parties, or Landlord or any of the Sunset III Parties, as the case may be, and (iii) shall be increased to that amount of insurance from time to time which prudent owners of comparable projects would maintain with respect to such projects. For purposes of this Section, the phrase "shall damage or cause to be damaged" shall not include normal wear and tear from permissible use.

4. Each Owner hereby covenants to defend, and does hereby indemnify and hold harmless the other Owner and its respective directors, officers, partners, agents, servants and employees from and against all claims, demands, causes of action, suits, judgments, costs, expenses, obligations, liabilities and damages (including, but not limited to, reasonable attorneys' fees and court costs) incurred or resulting from the death of, or any accident, injury, loss or damage whatsoever caused to any person, or to the property of any person or entity, as shall occur on the Sunset III Property arising from the negligence or willful misconduct of the indemnifying Owner or of any of the Office Building Parties (in the case of Tenant) or the Sunset III Parties (in the case of Landlord). Notwithstanding anything to the contrary set forth in this Section, the foregoing indemnification shall not apply to the claims, causes of action, costs,

expenses, obligations and liabilities arising from the negligence or willful misconduct of the other Owner.

5. This Lease shall be construed in accordance with, and governed by, the laws of the Commonwealth of Virginia without regard to principles of conflicts of laws.

6. This Lease may not be amended except by an instrument in writing duly executed and recorded by the party(ies) to be bound thereby.

7. The parties agree to do and take further and additional acts and actions and execute, acknowledge, and deliver such further additional documents, instruments and writings which are not specifically referred to herein as may be necessary, required or appropriate for the purpose of fully effectuating the provisions of this Lease.

8. Every provision of this Lease is hereby declared to be independent of and separate from every other provision. If any such provision shall be held to be invalid or unenforceable, that holding shall be without effect upon the validity or enforceability of any other provisions of this Lease. Every provision hereof shall be interpreted, to the extent possible, in such a way to make it valid, binding and enforceable.

9. This Lease may be executed in counterparts, each of which shall be an original and all of which taken together shall constitute one and the same instrument.

10. In the event of a breach or default hereunder by either party hereto, the non-defaulting party, in addition to all other rights and remedies at law or in equity, shall have the right to seek and obtain the specific performance of all terms and conditions hereof. In the event of such a breach or default, the prevailing party in any suit, litigation proceeding or dispute shall be entitled to be reimbursed by the other party for all court costs and reasonable attorneys fees incurred by the prevailing party to enforce or defend its right hereunder.

11. All notices or other communications hereunder shall be in writing and shall be deemed duly given if delivered in person, by nationally-recognized commercial delivery service, next business day delivery, by certified mail, return receipt required, or by registered mail, postage prepaid: (i) if to Sunset Hills, c/o Principal Mutual Life Insurance Company at 711 High Street, Des Moines, Iowa 50392, Attn: Mark F. Scholz, with a copy to Colin J. Smith, Esq., Watt, Tieder, Hoffar & Fitzgerald, L.L.P. at 7929 Westpark Drive, Suite 400, McLean, Virginia 22102, and (ii) if to AC Associates, c/o The J. A. Loveless Companies, 410 Pine Street, S.E., Suite 300, Vienna, Virginia 22180, Attn: Robert A. Cocker, with a copy to Martin D. Walsh, Esq., Walsh, Colucci, Stackhouse, Emrich & Lubeley, 2200 Clarendon Boulevard, Arlington, Virginia 22201.

12. Each Owner, at any time and from time to time, in connection with the sale or transfer of its property, or in connection with the financing or refinancing of its property may deliver written notice to the other party requesting such party to certify in writing that, to the best of the knowledge of the certifying party, (a) this Lease is in full force and effect and a binding obligation of the parties hereto, (b) this Lease has not been amended or modified, either orally or

in writing, and if so amended, identifying the amendments, and (c) the requesting party is not in default in the performance of its obligations under this Lease, or, if in default, to described therein the nature and amount of any and all defaults. Each party receiving such request shall execute and return such certificate within ten (10) business days following the receipt thereof. Failure by a party to execute and return such certificate within the specified period shall be deemed an admission on such party's part and conclusive evidence that the party requesting the certificate is current and not in default in the performance of such party's obligations under this Lease.

13. Tenant shall not record this Lease in the land records of Fairfax County, Virginia without the prior written consent of Landlord, which consent Landlord may withhold in its sole and absolute discretion.

IN WITNESS WHEREOF, the undersigned has executed this Lease to be effective on the date stated above.

SUNSET HILLS, LLC,
a Delaware limited liability company

By: Principal Office Investors, LLC,
a Delaware limited liability company
Its: Authorized Member

By: Principal Capital Real Estate Investors, LLC,
a Delaware limited liability company
Its: Authorized Signatory

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

AC ASSOCIATES II LIMITED PARTNERSHIP,
a Virginia limited partnership

By: _____
Name: _____
Title: _____

EXHIBIT A

Legal Description of Sunset III Property

ALL THAT CERTAIN lot or parcel of land situated, lying and being in Fairfax County, Virginia, and being more particularly described as follows:

All of Block 10, Section 911, Reston, as the same appears duly dedicated, platted and recorded in Deed Book 4775 at page 139 among the land records of Fairfax County, Virginia.

AND BEING the same property conveyed to AC Associates II Limited Partnership by Deed recorded in Deed Book 6939 at page 492.

EXHIBIT B

Legal Description of Sunset Corporate Plaza

ALL THAT CERTAIN lot or parcel of land situate, lying and being in Fairfax County, Virginia, and more particularly described as follows:

All of Block 9, Section 911, Reston, as the same appears duly dedicated, platted and recorded in Deed Book 4775 at page 139 among the land records of Fairfax County, Virginia.

AND BEING the same property conveyed to Sunset Hills, LLC, a Delaware limited liability company, by Deed from Principal Office Investors, LLC, a Delaware limited liability company, dated as of March 11, 1998 and recorded March 12, 1998 in Deed Book 10304 at page 781.

EXHIBIT C

Plat showing Existing Surface Lot

[To Be Inserted]

EXHIBIT F

RULES AND REGULATIONS

1. The sidewalks, lobbies, halls and passages shall not be obstructed by any of the tenants nor used by them for any other purpose than for ingress and egress to and from their respective offices, nor shall they be used as a waiting or lounging place for tenants' employees or those having business with tenants. The halls, passages and roofs are not for the use of the general public, and Landlord retains in all cases the right to control and prevent access to any part of the Property of all persons whose presence, in the judgment of Landlord or Landlord's employees or property manager, may be prejudicial to the to the safety, character, reputation or interests of the Property and its tenants. In case of invasion, mob, riot, public excitement or other commotion, Landlord reserves the right to prevent access to the Property during the continuance of same by closing the door or otherwise, for the safety of tenants and the protection of property in the Property. During other than business hours, access to the Property may also be refused, unless the person seeking admission is identified, and the production of a key to the Premises may in addition be required. Landlord shall in no case be liable in damages for the admission or exclusion of any person from the Property. No Tenant or its employees or invitees shall go upon the roof of the Property without the express consent of Landlord.

2. The floors, walls, partitions, skylights, windows, doors, and transoms that reflect or admit light into passageways or into any place in the Property shall not be covered or obstructed by any of the tenants except as provided for herein; provided, however, that tenants may install curtains or draperies on the windows. The toilet rooms, sinks and other water apparatus shall not be used for any purpose other than those for which they were constructed, and no sweepings, rubbish, rags, ashes, chemicals or refuse shall be thrown or placed therein. The cost of any damage resulting from such misuse or abuse shall be borne and immediately paid by tenant by whom or by whose employees it shall have been caused.

3. Nothing shall be placed by tenants or their employees on the outside of the Property with the exception of one sign which shall conform with existing tenant signs and be subject to Landlord approval.

4. No tenant sign and/or building standard sign, advertisement or notice shall be inscribed, painted or affixed on any part of the outside or inside of the Property, unless of such character, color, size and material and in such places as shall be first designated by Landlord in writing. A sign painter authorized by Landlord will do such work at Tenant's expense. Notwithstanding the foregoing, Tenant at its own cost and expense, shall have the right to install a sign on the exterior similar to the existing signs on the Property and subject to Landlord's approval.

5. Tenants will see that the windows are closed and the doors to the Premises are securely locked each day before leaving the Property.

6. Tenants, their employees or others shall not make or commit any improper noises or disturbances of any kind in the Property, nor smoke in the elevators, mark or defile the elevators, bathrooms or the walls, windows, doors, or any other part of the Property, nor interfere in

any way with other tenants or those having business in the Property. Tenants shall be liable for all damage to the Property done by their employees or agents.

7. No tenant shall sweep or throw or permit to be swept or thrown from the Premises any dirt or other substance into any of the corridors or halls, elevators or stairways of the Property, or into any of the light-shafts or ventilators thereof.

8. No animals shall be kept in or about the Premises except those used for laboratory purposes.

9. If the tenants desire to introduce signaling, telegraphic, telephonic or other wires and instruments, Landlord will direct the electricians as to where and how the same are to be placed; and without such direction, no placing, boring or cutting for wires will be permitted. Landlord retains in all cases the right to require the placing and using of such electrical protecting devices to prevent the transmission of excessive currents of electricity into or through the Property, to require the changing of wires and of their placing and arrangement underground or otherwise as Landlord may direct, and further to require compliance by tenants or by those furnishing service by or using such wires or by others with the directions, requirements or rules, Landlord shall have the right to immediately cut, displace and prevent the use of such wires. Notice requiring such changing of wires and their replacing and rearrangement given by Landlord to any company or individual furnishing service by means of such wires to any tenant shall be regarded as notice to such tenants and shall take effect immediately. All wires used by tenants must be clearly tagged at the distributing boards and junction boxes and elsewhere in the Property with the number of the office to which said wires lead and the purpose for which said wires respectively are used, together with the name of the company operating same.

10. No varnish, stain, paint, linoleum, oil-cloth, rubber or other air-tight covering shall be laid or put upon the floors, nor shall articles be fastened to or holes drilled or nails or screws driven into walls, doors, or partitions; or shall the walls, doors, or partitions be painted, papered, or otherwise covered or in any way marked or broken; nor shall machinery of any kind be operated on the Premises; nor shall any tenant use any other method of heating than that provided by Landlord, without the written consent of the Landlord.

11. The delivery of materials and other supplies to tenants in the Property will be permitted only under the direction, control, and supervision of the Landlord. Delivery of cash is specifically exempted from the Landlord's control.

12. The use of the Premises as sleeping apartments is prohibited.

13. The above rules and regulations or any further rules and regulations are for the exclusive benefit of and enforceable only by Landlord herein, and they shall not inure to the benefit of Tenant herein as against other tenants or in favor of other tenants as against Tenant herein; nor does Landlord warrant to enforce them against other tenants; provided, however, that Landlord, in any enforcement of the said rules and regulations, shall enforce them uniformly as to all tenants in the Property.

EXHIBIT G

DESCRIPTION OF THE LAND

That portion of Block 9, Section 911, RESTON, as the same appears duly dedicated, platted and recorded in Deed Book 4775 at page 139, among the land records of Fairfax County, Virginia, on which the Building, the Building Parking Areas and the Common Building Facilities are located.

EXHIBIT H

LIST OF HOLIDAYS

"Holidays" shall mean New Year's Day, Presidents Day, Memorial Day, July 4th, Labor Day, Thanksgiving and Christmas.

EXHIBIT I

**SUBORDINATION, NON-DISTURBANCE
AND ATTORNMENT AGREEMENT**

THIS AGREEMENT, made and entered into as of _____ day of _____, _____, by and between _____ with its principal office at _____ (hereinafter called "Lender"), _____, with its principal office at _____ (hereinafter called "Landlord") and _____, having its principal office _____ (hereinafter called "Tenant");

W I T N E S S E T H

WHEREAS, Tenant has heretofore under date of _____, by a written lease (hereinafter called the "Lease") leased from Landlord all or part of certain real estate and improvements thereon located in the County of _____, more particularly described in Exhibit "A" attached hereto and hereby made a part hereof (the "Premises"); and

WHEREAS, Landlord contemporaneously herewith is encumbering the Premises as security for a loan from Lender to Landlord in the form of a _____ (hereinafter called the "Mortgage"); and

WHEREAS, Tenant, Landlord and Lender have agreed to the following as respects their mutual rights and obligations pursuant to the Lease and the Mortgage;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, the receipt whereof is hereby acknowledged, the parties hereto do hereby covenant and agree as follows:

1. Tenant's interest in the lease and all rights of Tenant thereunder shall be and hereby are declared subject and subordinate to the Mortgage upon the Premises. The term "Mortgage" as used herein shall also include any amendment, supplement, modification, renewal or replacement thereof.

2. In the event of any foreclosure of the Mortgage or conveyance in lieu of foreclosure, and provided that the Lease, immediately prior to such foreclosure of the Mortgage or conveyance in lieu of foreclosure, shall have been in full force and effect and Tenant shall not then be in default thereunder beyond any grace period therein provided for curing the same, then in any of such events, Tenant shall not be made a party in any action or proceeding to remove or evict Tenant or to disturb its possession, nor shall the leasehold estate of Tenant created by the Lease be affected in any way, and the Lease shall continue in full force and effect as a direct lease between Tenant and Lender.

3. After the receipt by Tenant of notice from Lender or any foreclosure of the Mortgage or any conveyance of the Premises in lieu of foreclosure, Tenant will thereafter attorn to and recognize Lender as its substitute Landlord, and have thus attorned, Tenant's possession shall not thereafter be disturbed providing, and as long as, it shall continue to pay annual rental under the Lease and otherwise and otherwise observes or performs the covenants, terms and conditions of the Lease to be observed and performed by Tenant thereunder. Any such attornment and recognition of a substitute Landlord shall be upon all of the terms, covenants, conditions and agreements as are then set forth in the Lease except as otherwise stated herein.

4. Tenant shall not prepay any of the rents or income from the Premises for more than one (1) month except with the written consent of Lender.

5. In no event shall Lender be liable for any prior act or omission of the Landlord, nor shall Lender be subject to any offsets or deficiencies which Tenant may be entitled to assert against the Landlord as a result of any act or omissions of Landlord occurring prior to lender's obtaining possession of the Premises.

6. No conveyance by Landlord of its interest in the Premises shall insofar as Lender, its successors and assigns are concerned, cause the fee simple ownership of the Premises and the Tenant's leasehold estate created by the Lease to merge, but said state shall remain separate and distinct notwithstanding the union of such estates in Lender, Tenant or any third party by reason of purchase or otherwise.

7. Lender has received an assignment of the Lease and the Lease may not be amended or altered and Tenant may not be released therefrom or from any of its obligations except with the written consent of Lender.

8. This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns, including without limitation, any purchaser at any foreclosure sale.

IN WITNESS WHEREOF, this agreement has been fully executed under seal on the day and year first above written.

_____ Lender

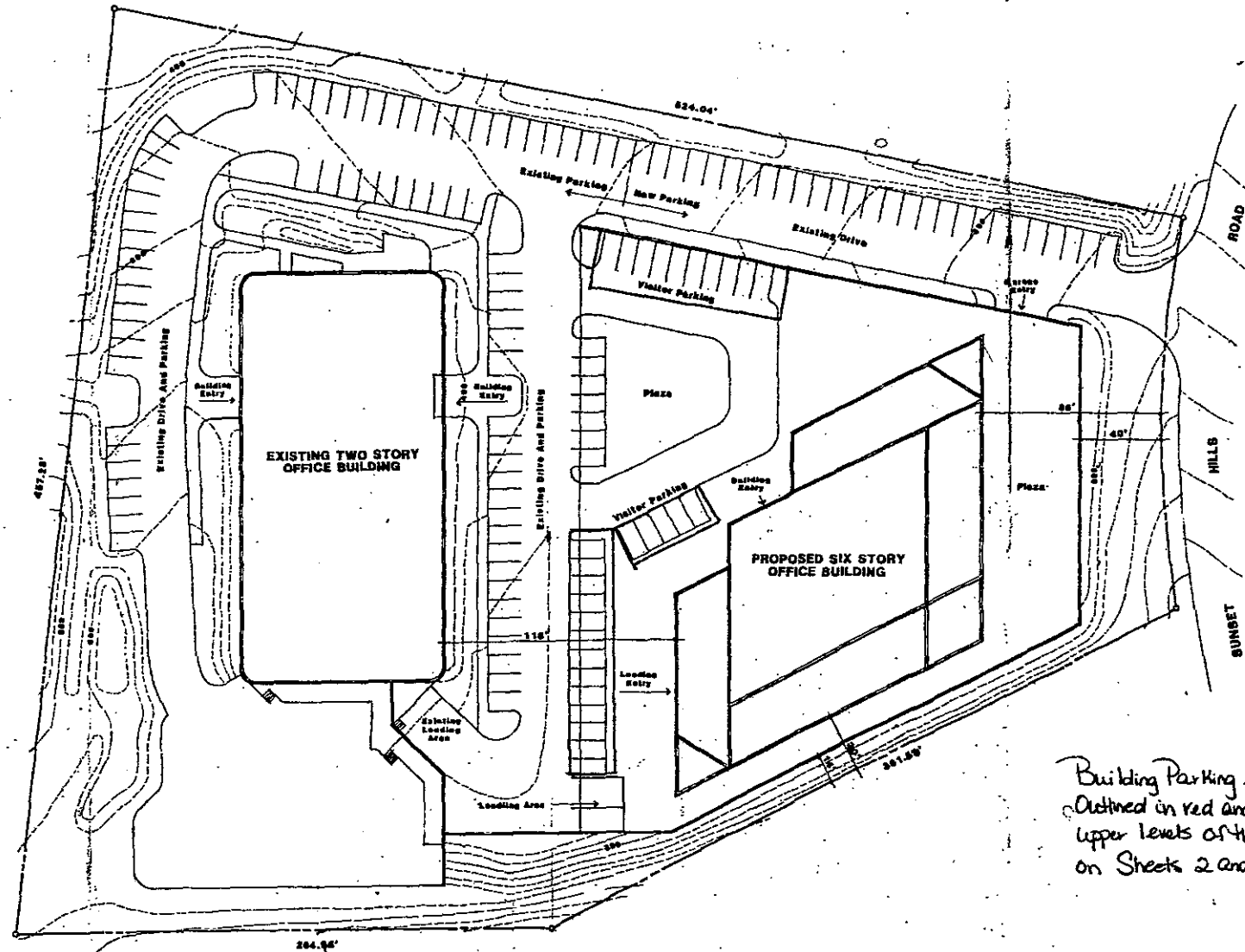
By: _____

_____ Landlord

By: _____

_____ Tenant

By: _____



Building Parking Area is the area outlined in red and the lower and upper levels of the garage shown on Sheets 2 and 3.

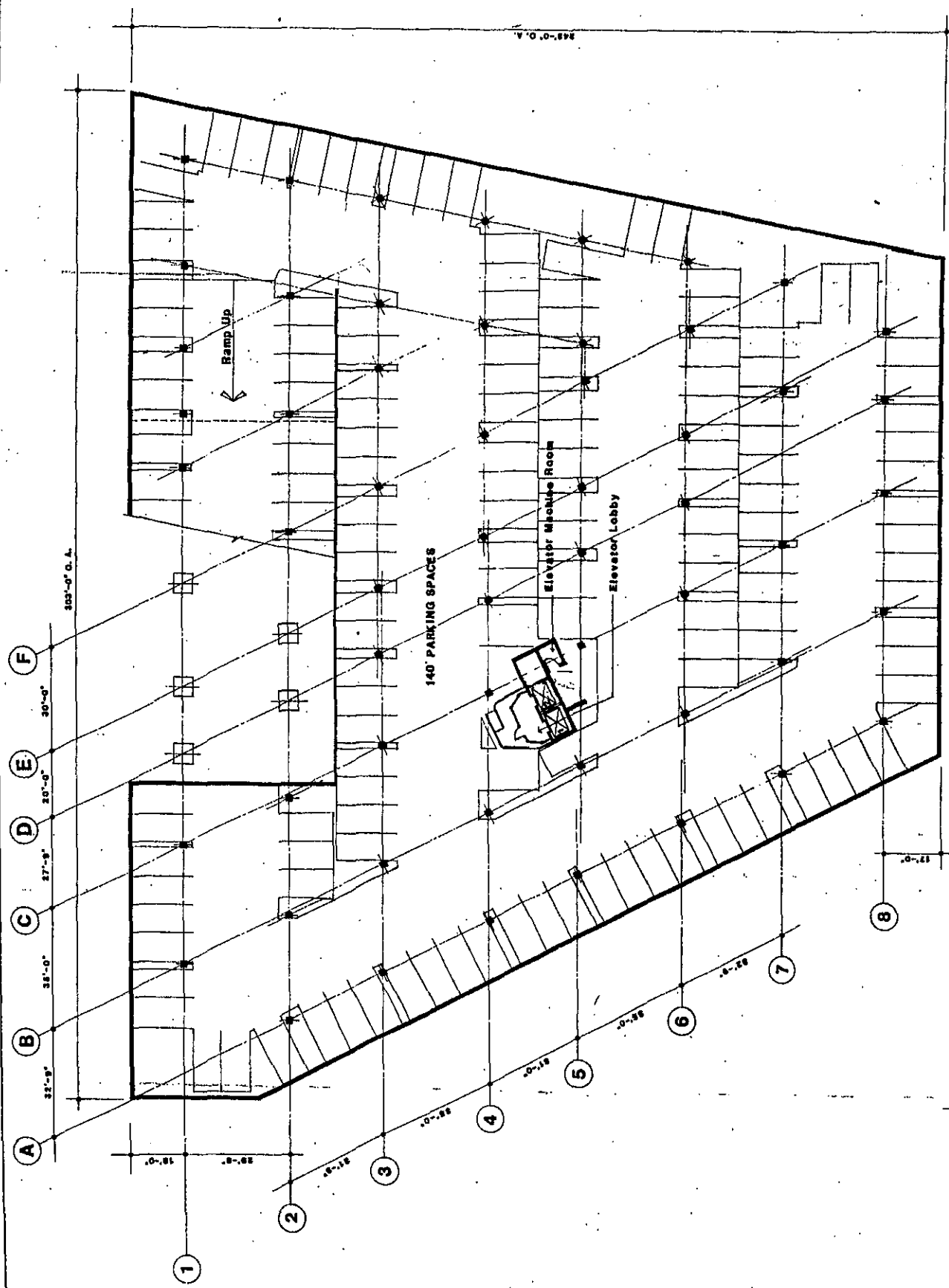
SUNSET CORPORATE PLAZA BUILDING TWO

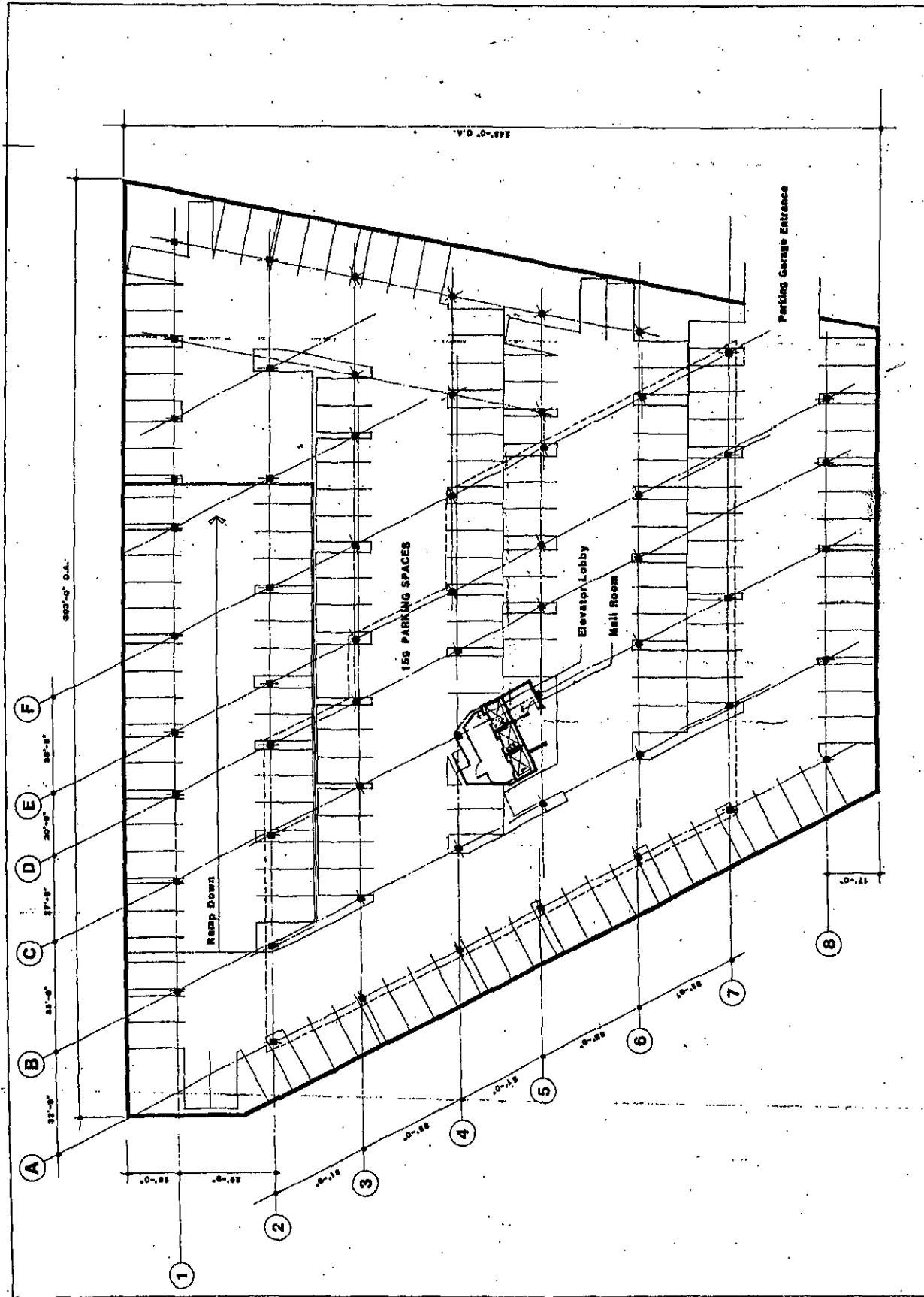


SITE PLAN

STANMYRONOEL	
Project No.	
Client	
Address	
City	
State	
Zip	

2





SUNSET CORPORATE PLAZA BUILDING TWO		UPPER LEVEL GARAGE PLAN		4
STANLEY & NOEL ARCHITECTS 1000 17th Avenue, Suite 1000 San Francisco, California 94133 Phone: (415) 774-1100 Fax: (415) 774-1101		1" = 12'-0"		