

**DEED OF LEASE**

by and between

**SIP / CREF 1420 Beverly, LLC**  
a Delaware limited liability company

and

**MEDSTAR MEDICAL GROUP II, LLC**  
A Maryland Limited Liability Company

Dated February 2, 2021

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## AGREEMENT OF LEASE

THIS DEED OF LEASE, (the "Lease") made this 2nd day of February, 2021 ("Effective Date"), by and between **SIP / CREF 1420 Beverly, LLC** a Delaware limited liability company, hereinafter referred to as "Landlord", and **MEDSTAR MEDICAL GROUP II, LLC**, a Maryland limited liability company, hereinafter referred to as "Tenant".

WITNESSETH:

### Fundamental Lease Provisions

The provisions set forth below represent the agreement of the parties hereto as to certain fundamental lease provisions ("**Fundamental Lease Provisions**"). The monetary charges payable by Tenant set forth in the Fundamental Lease Provisions shall not be construed to constitute an exhaustive list of all amounts which may become payable under this Lease. The capitalized terms defined below shall have such meanings throughout the Lease.

#### TERMS

#### DESCRIPTION/DEFINITION

|   |  |
|---|--|
| A. Landlord:                            | SIP / CREF 1420 Beverly LLC, a Delaware limited liability company  |
| B. Tenant:                              | MEDSTAR MEDICAL GROUP II, LLC, a Maryland limited liability company  |
| C. Address for Notices to Landlord:     | SIP / CREF 1420 Beverly LLC<br>c/o SIP Manager, LLC<br>7201 Wisconsin Avenue, Suite 505<br>Bethesda, Maryland 20814  |
| D. Agent & Agent's Contact Information: | Stream Realty<br>381 Elden Street<br>Suite 1323<br>Herndon, VA 20170   |
| E. Address for Payment of Rent:         | Stream Realty<br>381 Elden Street<br>Suite 1323<br>Herndon, VA 20170<br>(make all Rent checks payable to <b>SIP / CREF 1420 Beverly LLC</b> and mail to the address in Section E herein) |

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- F. Address for Notices to Tenant: MedStar Medical Group II, LLC  
Attn: Vice President, Operations  
10980 Grantchester Way  
7th Floor  
Columbia, MD 21044
- and:
- MedStar Health, Inc.  
Attn: Vice President, Real Estate  
10980 Grantchester Way  
7th Floor  
Columbia, MD 21044
- with a copy to:
- MedStar Health, Inc.  
Attn: Office of the General Counsel  
10980 Grantchester Way  
Columbia, MD 21044
- G. Address for Notices to Tenant after Lease Commencement Date: Same as above
- H. Building: The building located at 1420 Beverly Road, McLean, VA 22101 consisting of 47,184 rentable square feet as determined in accordance with the BOMA Standard (the “**Rentable Area**”).
- I. Premises: Suite #100 containing approximately seven thousand three hundred thirty-eight (7,338) rentable square feet of space located on the first (1<sup>st</sup>) floor of the Building; and Suite # 105 containing approximately one thousand two hundred twenty-five (1,225) rentable square feet of space located on the first (1<sup>st</sup>) floor of the Building; and Suite # 300 containing approximately six thousand nine hundred four (6,904) rentable square feet of space located on the third (3<sup>rd</sup>) floor of the Building; all as set forth in Exhibit A attached hereto for a total of approximately fifteen thousand four hundred sixty-seven (15,467) rentable square feet. For purposes of this Lease, the rentable square feet contained within the Premises shall be calculated pursuant to the Building Owners and Managers Association standard method of measurement and mutually agreed upon by Landlord and Tenant (ANSI/BOMA Z65.1 – 2017) (the “**BOMA Standard**”).

- J. Term:
- J.1 Lease Term: Commencing upon the Lease Commencement Date and continuing for approximately 126 full calendar months following the Rent Commencement Date through the Lease Expiration Date.
- J.2 Lease Commencement Date: The date that is the earlier of i) Substantial Completion of the Tenant Improvement work and Tenant's receipt of Certificate of Occupancy or ii) two hundred forty (240) days following the later of March 5, 2021 or the date Landlord delivers possession of the Premises to Tenant with the Landlord Work substantially complete (as defined in Exhibit A-1) and free of any occupancy.
- J.3 Rent Commencement Date: The date that is the Lease Commencement Date, subject to the application of Rent Abatement.
- J.4 Lease Expiration Date: The last day of the one hundred twenty-sixth (126<sup>th</sup>) full calendar month after the Rent Commencement Date.
- J.5 Anticipated Delivery Date: May 1, 2021
- J.6 Options to Renew: Three (3) periods of five (5) years, as more fully set forth in Section 28 hereof.

K. Base Rent

| <u>Lease Year</u> | <u>Annual Base Rent</u> | <u>Monthly Base Rent</u> | <u>PSF</u> |
|-------------------|-------------------------|--------------------------|------------|
| 1                 | \$665,081.00            | \$55,423.42              | \$43.00    |
| 2                 | \$681,708.03            | \$56,809.00              | \$44.08    |
| 3                 | \$698,750.73            | \$58,229.23              | \$45.18    |
| 4                 | \$716,219.50            | \$59,684.96              | \$46.31    |
| 5                 | \$734,124.99            | \$61,177.08              | \$47.46    |
| 6                 | \$752,478.11            | \$62,706.51              | \$48.65    |
| 7                 | \$771,290.06            | \$64,274.17              | \$49.87    |
| 8                 | \$790,572.31            | \$65,881.03              | \$51.11    |
| 9                 | \$810,336.62            | \$67,528.05              | \$52.39    |
| 10                | \$830,595.04            | \$69,216.25              | \$53.70    |
| 11                | \$851,359.92            | \$70,946.66              | \$55.04    |

\* No Base Rent shall be payable by Tenant prior to the Rent Commencement Date. Notwithstanding the foregoing, Landlord shall abate one hundred percent (100%) of the monthly Base Rent installment for the first six (6) full calendar months (the "Abatement Period") following the Rent Commencement Date, with Tenant remaining liable for Base Rent for any partial month between the Rent Commencement Date and the next succeeding full calendar month in the event the Rent Commencement Date is not the first (1<sup>st</sup>) day of a calendar month.

- L. Permitted Use: For general and specialty medical office use, and all ancillary uses related thereto.

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- M. Security Deposit: None\_\_\_\_\_
- N. Additional Rent:
- N.1 Base Year for Operating Expenses: Calendar Year 2022
- N.2 Base Year for Real Estate Taxes: Calendar Year 2022
- N.3 Tenant's Pro Rata Share of Operating Expenses: 32.78%
- N.4 Tenant's Pro Rata Share of Real Estate Taxes: 32.78%
- O. Allowance/Buildout: See Exhibit A-1
- P. Guarantor: No Guarantor
- Q. Signage Fees: Per the Landlord Services section of the Lease, the following fees are payable to Landlord:  
None
- R. Brokers:
- R.1 Tenant: Cushman & Wakefield
- R.2 Landlord: Avison Young
- S. Parking: Parking Ratio = 3.7/1,000 rentable square feet of Premises. More specifically described in Section 26.
- T. Test Fit Allowance: In addition to the Allowance referenced in Exhibit A-1 Landlord upon execution of this Lease shall reimburse Tenant's architect for such architect's preparation of a preliminary test fit (the "Test Fit Allowance"); provided, however, that such Test Fit Allowance shall not exceed the sum of \$0.12 per rentable square foot of the Premises.

#### Section 1. Leased Premises.

1.01 In consideration of the Rent hereinafter reserved and of the covenants hereinafter contained, Landlord does hereby lease to Tenant, and Tenant hereby leases from Landlord, the Premises (shown on Exhibit "A" attached hereto) reserving, however, to Landlord space for and use of all necessary pipes, ducts, conduits, cables, plumbing, vents and wires leading to and from the portions of the Building not hereby leased and to and through the Premises which will not unreasonably interfere with Tenant's use of the Premises. Landlord expressly reserves the right to change the name of the Building with notice to Tenant. The Building and the real property on which it is situated and any other improvements thereon are sometimes hereinafter collectively referred to as the "**Property**."

#### Section 2. Term; Possession.

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2.01 The term of this Lease shall commence on the Lease Commencement Date, and shall terminate at 12:00 o'clock, midnight, on the Lease Expiration Date. The term "**Lease Year**" shall refer to each consecutive twelve (12) month period elapsing from and after Lease Commencement Date, provided however, if the Lease Commencement Date is other than the first day of a calendar month, the term "**Lease Year**" shall refer to each consecutive twelve (12) month period elapsing from and after the first day of the first calendar month following the Lease Commencement Date; provided that in any event, the first Lease Year shall commence on the Lease Commencement Date and end twelve (12) full calendar months after the Rent Commencement Date.

2.02 Except as provided for herein, if delivery of possession of the Premises shall be delayed beyond the date specified above for the commencement of the term of this Lease, Landlord shall not be liable to Tenant for any damages resulting from such delay and, accordingly, the postponement of Tenant's obligation to pay Rent, shall be Tenant's sole remedy and shall constitute full settlement of all claims that Tenant might otherwise have against Landlord by reason of the Premises not being ready for occupancy by Tenant on the targeted commencement date. Notwithstanding anything to the contrary contained in the Lease, Landlord shall not be obligated to tender possession of any portion of the Premises or other space leased by Tenant from time to time hereunder that, on the date possession is to be delivered, is occupied by a tenant or other occupant or that is subject to the rights of any other tenant or occupant, nor shall Landlord have any other obligations to Tenant under this Lease with respect to such space until the date Landlord: (1) recaptures such space from such existing tenant or occupant; and (2) regains the legal right to possession thereof. This Lease shall not be affected by any such failure to deliver possession and Tenant shall have no claim for damages against Landlord as a result thereof, all of which are hereby waived and released by Tenant. If delivery of possession of the Premises shall be delayed by reason of any delay caused by Tenant, or any agent, employee or contractor or Tenant, then and in such event the Commencement Date shall be the date determined by Landlord upon which possession would have been tendered to Tenant in the absence of such delay. If applicable, Tenant will execute the Commencement Date Certificate attached to this Lease as Exhibit D within five (5) days of Landlord's request therefor. Notwithstanding anything to the contrary contained herein, if delivery of possession of the Premises has not occurred within thirty (30) days of the Anticipated Delivery Date, Tenant shall be entitled to receive two (2) days' abatement of Base Rent for each day that elapses between the Anticipated Delivery Date and the actual date of delivery of possession. In addition, delivery of possession of the Premises has not occurred within ninety (90) days of Anticipated Delivery Date, then Tenant shall have the right, upon prior notice to Landlord, to terminate the Lease without cost or penalty in which case Landlord shall reimburse to Tenant the first month's rent paid to Landlord upon execution of the Lease.

### Section 3. Rent.

3.01 **Base Rent.** Tenant hereby covenants and agrees to pay a basic annual rent ("**Base Rent**") set forth in the Fundamental Lease Provisions, payable on demand without deduction, demand or counterclaim in equal monthly installments, in advance, on the first day of each month during the term.

3.02 **Late Fees and Interest.** Commencing with the second payment of Rent (as hereinafter defined) which is not paid in accordance with the Lease within fifteen (15) days after written notice of such failure from Landlord in any rolling twelve month period, any installments of Rent which are not paid within fifteen (15) days after the due date shall be subject each month to a late charge equal to five percent (5%) of the amount due, which shall be payable as Additional Rent.

3.03 **Rent; Manner of Payment.** The term "**Rent**" as used herein, includes, without limitation, (a) Base Rent (b) Operating Cost Pass-Throughs, (c) Real Estate Tax Pass-Throughs, and (d) all other amounts payable by Tenant to Landlord (whether or not the same are specifically referred to herein as Additional Rent). Items (b), (c) and (d) above may sometimes herein be referred to as "**Additional Rent**". If the term of this Lease begins on a day other than the first day of a month, Base Rent from such date until

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the first day of the next succeeding month shall be prorated on the basis of the actual number of days in each such month and shall be payable in advance. All payments of Rent shall be made without demand, deduction, offset, or counterclaim in cash or by check, auto deposit, or wire transfer payable to Landlord c/o Agent, and delivered to the Rent Payment Address set forth in the Fundamental Lease Provisions above or to such other person and place as may be designated from time to time by written notice from Landlord to Tenant. No payment by Tenant or receipt by Landlord of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest stipulated Rent nor shall any endorsement or statement on any check or any letter accompanying any check or payment as Rent be deemed an accord and satisfaction, and Landlord may accept such check for payment without prejudice to Landlord's right to recover the balance of such Rent or pursue any other remedy provided in this Lease. The acceptance by Landlord of any Rent on a date after the due date of such payment shall not be construed to be a waiver of Landlord's right to declare a default for any other late payment. Tenant's covenant to pay Rent shall be independent of every other covenant set forth in this Lease. Tenant's obligation to pay Rent accruing during the Lease Term shall survive the expiration of this Lease.

3.04 First Month's Rent. Upon execution of this Lease, Tenant shall deposit with Landlord the first (1st) month of Base Rent, to be applied to the first full month of Base Rent due hereunder.

3.05 .

3.06 Additional Rent for Operating Expenses and Real Estate Taxes.

3.06.1 If, in any calendar year during the Lease Term after the Base Year for Operating Expenses (as defined in the Fundamental Lease Provisions), the amount of Operating Expenses exceeds the amount of Operating Expenses for the Base Year, then Tenant shall pay, as Additional Rent to Landlord, an amount ("**Operating Cost Pass-Throughs**") which is the product of (A) the amount of such increase in Operating Expenses, multiplied by (B) Tenant's Pro Rata Share of Operating Expenses set forth in the Fundamental Lease Provisions. Operating Expenses and Real Estate Taxes shall be computed to reflect the Building at an occupancy rate of no less than ninety-five percent (95%). Notwithstanding anything to the contrary, Tenant's Controllable Operating Cost Pass-Throughs (as defined below) shall not increase by more than five percent (5%) per annum. By way of example, if the actual Tenant's Controllable Operating Cost Pass-Throughs for the 2022 Base Year were \$5,000.00, then Tenant's Controllable Operating Cost Pass-Throughs for the 2023 calendar year would be capped at \$5,250.00 (i.e., \$5,000 x 1.05). For purposes hereof, "Controllable Operating Cost Pass Throughs" shall refer to those Operating Costs Pass-Throughs that are capable of being controlled by Landlord and shall expressly exclude the following: (i) insurance premiums; (ii) utility expenses; (iii) snow removal and other weather related costs; (iv) costs incurred at the written request of Tenant, including without limitation cleaning or car costs incurred with a cleaning contractor designated by Tenant; (v) expenses related to acts of God or other matters beyond Landlord's control; (vi) management fees computed on the basis of rent or revenue receipts.

3.06.2 If, in any calendar year during the Lease Term after the Base Year for Real Estate Taxes, the amount of Real Estate Taxes exceeds the amount of Real Estate Taxes in the Base Year for Real Estate Taxes, then Tenant shall pay, as Additional Rent to Landlord, an amount which is the product of (1) the amount ("**Real Estate Tax Pass-Throughs**") of such increase in Real Estate Taxes, multiplied by (2) Tenant's Pro Rata Share of Real Estate Taxes set forth in the Fundamental Lease Provisions. The amount determined by the aforesaid calculation shall be "Tenant's Real Estate Tax Pass-Throughs".

3.06.3 If the size of the Premises represents a pro rata share of the total number of rentable square feet of the space in the Building which differs from the pro rata share identified in the Fundamental Lease Provisions above, at any time, by reason of a change in the measurement of the Premises and/or the Building, as determined by the Landlord, at Landlord's election, Tenant's Pro Rata Share of Operating Expenses and Tenant's Pro Rata Share of Real Estate Taxes, shall be adjusted accordingly. Any Additional Rent payable by Tenant for any partial calendar year during the Lease Term shall be determined by

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multiplying the annualized amount due by a fraction, the numerator of which is the number of days during such calendar year falling within the Lease Term and the denominator of which is three hundred sixty (360).

**3.06.4 "Operating Expenses"** shall mean any and all expenses, costs and disbursements (but not specific costs billed to and paid by specific tenants) of every kind and nature incurred by Landlord in connection with the ownership, management, operation, maintenance, servicing and repair of the buildings and appurtenances thereto comprising the Building, including without limitation the parking areas and the common areas thereof, and the land underlying the buildings (the "Land"), including but not limited to employees' wages, salaries, welfare and pension benefits and other fringe benefits; payroll taxes; the costs, including reasonable attorneys' fees, of appealing assessments of Real Estate Taxes; telephone service; painting of common areas of the Building; exterminating service; detection and security services; concierge services; sewer rents and charges; premiums for fire and casualty, liability, rent, workmen's compensation, sprinkler, water damage and other insurance; repairs and maintenance; building supplies; uniforms and dry cleaning; snow removal; the cost of obtaining and providing electricity, water and other public utilities to all areas of the Building; trash removal; janitorial and cleaning supplies; and janitorial and cleaning services; window cleaning; service contracts for the maintenance of elevators, boilers, HVAC and other mechanical, plumbing and electrical equipment; fees for all licenses and permits required for the ownership and operation of the Land and the Building; business license fees and taxes, including those based on Landlord's rental income from the Building; sales and use taxes payable in connection with tangible personal property and services purchased for the management, operation, maintenance, repair, cleaning, safety and administration of the Land and the Building; legal fees; accounting fees relating to the determination of Operating Expenses and the tenants' share thereof and the preparation of statements required by tenant's leases; asset management fees; management fees, whether or not paid to any person having an interest in or under common ownership with Landlord; purchase and installation of indoor plants in the common areas; and landscaping maintenance and the purchase and replacement of landscaping services, plants and shrubbery. If Landlord makes an expenditure for a capital improvement to the Land or the Building by installing energy conservation or labor-saving devices to reduce Operating Expenses, or to comply with any law, ordinance or regulation pertaining to the Land or the Building, and if, under generally accepted accounting principles, such expenditure is not a current expense, then the cost thereof shall be amortized over a period equal to the useful life of such improvement, determined in accordance with generally accepted accounting principles, and the amortized costs allocated to each calendar year during the Lease Term, together with an imputed interest amount calculated on the unamortized portion thereof using an interest rate of Prime Rate as published in the Wall Street Journal per annum, shall be treated as an Operating Expense. Notwithstanding anything to the contrary in the definition of "Real Estate Taxes" and "Operating Expenses," Real Estate Taxes and Operating Expenses shall not include the following (collectively, the "Excluded Items"):

(i) Expenses of repairs, restoration, replacements or other work occasioned by (1) fire, windstorm or other casualty of an insurable nature (whether such destruction be total or partial) and payable (whether paid or not) by insurance required to be carried by Landlord under this Lease, (2) the exercise by governmental authorities of the right of eminent domain, whether such taking be total or partial, (3) the negligence or intentional tort of Landlord, or any subsidiary or affiliate of Landlord, or any representative, employee or agent of same (including the Expenses of any deductibles paid by Landlord), or (4) the act of any other tenant in the Building, or any other tenant's agents, employees, licensees or invitees to the extent Landlord has the right to recover the applicable cost from such person;

(ii) Leasing commissions, attorneys' fees, expenses, disbursements and other expenses incurred in connection with negotiations for leases with tenants, other occupants, or prospective tenants or other occupants of the Building, or similar expenses incurred in connection with disputes with tenants, other occupants, or prospective tenants, or similar expenses and expenses incurred in connection with negotiations or disputes with consultants, management agents, purchasers or mortgagees of the Building;

(iii) Allowances, concessions and other expenses and expenses incurred in completing, fixturing, furnishing, renovating or otherwise improving, decorating or redecorating space for tenants (including Tenant), prospective tenants or other occupants and prospective occupants of the Building, or

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vacant, leasable space in the Building;

(iv) Expenses of the initial construction of the Building and repairing, replacing or otherwise correcting defects (but not the expenses of repair for normal wear and tear) in the construction of the base Building, the parking garage, the tenant improvements, or in the Building equipment;

(v) Expenses relating to another tenant's or occupant's space which (1) were incurred in rendering any service or benefit to such tenant that Landlord was not required, or were for a service in excess of the service that Landlord was required, to provide Tenant hereunder (including without limitation insurance coverage for another tenant's or occupant's leasehold improvements), or (2) were otherwise in excess of the Building standard services then being provided by Landlord to all tenants or other occupants in the Building, whether or not such other tenant or occupant is actually charged therefore by Landlord;

(vi) Payments of principal and interest or other finance charges made on any debt and rental payments made under any ground or underlying lease or leases, except to the extent that a portion of such rental payments is expressly for ad valorem/real estate taxes or interest charges;

(vii) Expenses incurred in connection with the sale, financing, refinancing, mortgaging, selling or change of ownership of the Building, including brokerage commissions, attorneys' and accountants' fees, closing expenses, title insurance premiums, transfer taxes as a result of such action, interest charges;

(viii) Expenses, fines, interest, penalties, legal fees or expenses of litigation incurred due to the late payments of taxes, utility bills and other expenses incurred by Landlord's failure to make such payments when due;

(ix) Expenses incurred by Landlord for trustee's fees, partnership organizational expenses and accounting fees except accounting fees relating solely to the ownership and operation of the Building (exclusive of the incremental accounting fees to the extent incurred separately in reporting operating results to the Building owners or lenders);

(x) Landlord's general corporate overhead and general and administrative expenses;

(xi) Any compensation paid to clerks, attendants or other persons in commercial concessions operated by Landlord or in the parking garage of the Building;

(xii) Rentals and other related expenses incurred in leasing air conditioning systems, elevators or other equipment ordinarily considered to be of a capital nature, except equipment not affixed to the Building which is used in providing janitorial or similar services or equipment used to temporarily provide Building services;

(xiii) Landlord's income and franchise taxes, special assessments and other business taxes except those business taxes which relate solely to the operation and leasing of the Building;

(xiv) All amounts which would otherwise be included in Operating Expenses which are paid to any affiliate or subsidiaries of Landlord, or any representative, employee or agent of same, to the extent the expenses of such services exceed the then-applicable market rates for similar services of comparable quality rendered by persons or entities of similar skill, competence and experience;

(xv) Expenses of utilities directly metered to tenants of the Building and payable separately by such tenants;

(xvi) Increased insurance premiums caused by Landlord's or any other tenant's hazardous acts;

(xvii) Moving expenses of tenants of the Building to the extent not provided by Landlord (a) to Tenant and (b) generally to other initial tenants of the Building;

(xviii) Advertising and promotional expenses associated with the leasing of the Building, and expenses of signs in or on the Building identifying the owners of the Building or any tenant of the Building;

(xix) Expenses incurred to correct violations by Landlord of any law, rule, order or regulation which was in effect and applicable to the Building as of the date of this Lease;

(xx) Expenses incurred (less expenses of recovery) for any items to the extent covered by a manufacturer's, materialman's, vendor's or contractor's warranty (a "Warranty") which are paid by such manufacturer, materialman, vendor or contractor (Landlord shall pursue a breach of warranty claim for items covered by a Warranty unless Landlord determines in good faith that such action would not be in the best interest of the tenants of the Building);

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(xxi) Non-cash items, such as deductions for depreciation and amortization of the Building and the Building equipment, or interest on capital invested, except on materials, tools, supplies and vendor-type equipment purchased by Landlord to enable Landlord to supply services Landlord might otherwise contract for with a third party where such depreciation is the charge for such third party's service, all as determined in accordance with generally accepted accounting principles, consistently applied;

(xxii) Electric power expenses for which any Tenant directly contracts with the local public service company;

(xxiii) Consulting expenses unless they relate exclusively to the management or operation of the Building;

(xxiv) The cost of any "tap fees" or one-time lump sum sewer or water connection fees for the Building payable in connection with the initial construction of the Building;

(xxv) Expenses of electric power and water materially above Building-standard levels of usage (as reasonably determined by Landlord) consumed by any tenant, whether or not reimbursed by the tenant;

(xxvi) Depreciation expenses of any kind;

(xxvii) Management fees in excess of three percent (3%) of Building gross revenues, as same may be adjusted pursuant to Section 6(J) below;

(xxviii) Rental for any space in the Building set aside for conference facilities, storage facilities or exercise facilities;

(xxix) Costs of services, supplies or other materials provided to the Building by Landlord's affiliates to the extent that the cost of such services, supplies or materials exceeds the fair market value of such services, supplies or materials as reasonably determined by Landlord;

(xxx) Salaries, wages or other compensation paid to Landlord's executives or to property management employees above the level of senior property manager;

(xxxi) Except as otherwise provided elsewhere in this Section 6, expenses of a capital nature, including without limitation, capital improvements, capital repairs, capital equipment and capital tools, all as determined in accordance with GAAP;

(xxxii) Expenses incurred (a) to manage and operate the parking garage serving the Building, including any parking management fee paid to the operator, employment expenses of parking operator personnel, insurance premiums for the parking operation, revenue control equipment and access control equipment (except to the extent such equipment is required to accommodate Tenant's particular parking needs), resealing or restriping of the parking garage, and (b) with respect to the maintenance and repair of the parking garage serving the Building, except for costs incurred by Landlord and not borne by the operator of the parking garage for routine maintenance and repair (such as lamps, ballasts, exhaust fans, fire/life safety systems and elevators) and utilities.

**3.06.5 "Real Estate Taxes"** shall mean all taxes, assessments and governmental charges (including without limitation all real estate taxes, gross revenue and receipts taxes and any other licensing charges in the nature of a tax on the operation of the Building, whether federal, state, county or municipal, and whether they be by taxing districts or authorities presently taxing the Building or by others, subsequently created or otherwise, and any other taxes and assessments attributable to the Land or the Building (or its operation) whether or not directly paid by Landlord, excluding, however, federal and state taxes on income from the Building. It is agreed that Tenant will be responsible for all taxes on its personal property and on the value of the Tenant Improvements. Landlord shall have the right to pay any special assessment by installments, and in such event Real Estate Taxes shall include such installments and interest paid on the unpaid balance of the assessment.

**3.06.6** If at any time during a calendar year following the Base Year ("Subsequent Year"), less than all of the total rentable square feet of office space in the Building is occupied by tenants, the amount of Operating Expenses and/or Real Estate Taxes for any such Subsequent Year shall be deemed to be the amount of Operating Expenses and/or Real Estate Taxes as reasonably estimated by Landlord that would have been incurred if the Building were fully occupied during such Subsequent Year. If at any time during any calendar year, any part of the Building is leased to a tenant (hereinafter referred to as a "Special

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Tenant”) who, in accordance with the terms of its lease, provides its own cleaning and janitorial services or other services or is not otherwise required to pay a share of Operating Expenses in accordance with the methodology set forth in this Section, Operating Expenses for such calendar year shall be increased by the additional costs for cleaning and janitorial services and such other applicable expenses as reasonably estimated by Landlord that would have been incurred by Landlord if Landlord had furnished and paid for cleaning and janitorial services and such other services for the space occupied by the Special Tenant, or if Landlord had included such costs in “operating expenses” as defined in the Special Tenant’s lease.

3.06.7 Within a reasonable time period following the end of any calendar year, Landlord shall furnish to Tenant a statement of Landlord’s estimate of the Operating Cost Pass-Throughs (hereinafter defined) and Real Estate Tax Pass-Throughs (hereinafter defined) for the current calendar year. Such statement shall show the amount of Operating Cost Pass-Throughs, if any, and the amount of Real Estate Tax Pass-Throughs, if any, payable by Tenant for such year on the basis of Landlord’s estimate. Commencing on the first day of the first calendar month following the Base Year, and continuing on each monthly rent payment date thereafter until further adjustment pursuant to this Section, Tenant shall pay to Landlord one-twelfth (1/12) of the amount of said estimated Operating Cost Pass-Throughs and estimated Real Estate Tax Pass-Throughs. Within ninety (90) days after the expiration of each calendar year (“Expired Year”) during the Lease Term, or as soon as is reasonably practical thereafter, Landlord shall furnish to Tenant a statement (the “Expense Statement”) showing the actual Operating Expenses and Real Estate Taxes for the Expired Year. Subject to Tenant’s audit rights as set out in Section 3.06.9 below, the Expense Statement shall be conclusive and binding on Tenant. In case of an underpayment, Tenant shall, within thirty (30) days after the receipt of such statement, pay to Landlord an amount equal to such underpayment. In case of an overpayment, Landlord shall credit the next monthly rental payment by Tenant with an amount equal to such overpayment, or alternatively, at Tenant’s election Landlord shall refund the overpayment to Tenant within thirty (30) days. Additionally, if this Lease shall have expired, Landlord shall apply such excess against any sums due from Tenant to Landlord and shall refund any remainder to Tenant within one hundred and twenty (120) days after the expiration of the Lease Term, or as soon thereafter as possible. Landlord’s obligation to refund Tenant shall survive termination of this Lease.

3.06.8 Tenant’s obligation to pay Operating Cost Pass-Throughs and Real Estate Tax Pass-Throughs shall survive the expiration or other termination of this Lease with respect to any period during the Lease Term hereof, provided Landlord acted timely in accordance with Section 3.06.7 in providing Tenant with the Expense Statement and with respect to any holdover period of occupancy following the expiration of the Lease Term.

3.06.9 At any time within three (3) years in regard to the Base Year and within one (1) year for all subsequent years following Tenant’s receipt of an Expense Statement for any calendar year Tenant shall have the right to retain any consultant or auditor acceptable to Tenant who regularly conducts reviews of operating expenses and real estate taxes who is hired by Tenant on a non-contingent fee basis or an employee of Tenant (a “Tenant’s Auditor”), to conduct an audit or review of Operating Expenses and Real Estate Taxes for the immediately preceding 3 calendar years or one (1) calendar year, as applicable hereunder that have not been the subject of a prior audit by Tenant hereunder. Tenant shall not be entitled to delay any payment under this Lease during the pendency of any such inspection. Tenant shall bear all costs of any such inspection unless an error greater than four percent (4%) is identified, in which event Landlord shall be responsible for all reasonable and customary costs actually incurred by Tenant with respect to the audit. Landlord, upon thirty (30) days’ written notice from Tenant, shall make available to Tenant or to Tenant’s agents or representatives at Landlord’s headquarters in the greater Washington, DC area all appropriate books and records reasonably relating to the years under audit pursuant to this provision, such as paid bill files, general ledgers, operating expense billing files and contracts relating to the Building. Tenant shall keep the results of any such audit confidential, except to the extent (x) reasonably required to be revealed by law or pursuant to negotiations between Landlord and Tenant relating to operating expenses and Real Property Taxes, or (y) as may otherwise be required by law for the years under audit pursuant to this provision. The results of the audit shall be shared with Landlord if based on such audit Tenant still

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disputes the Expense Statement. If such audit or review reveals that Landlord has overcharged Tenant, Landlord shall reimburse Tenant for the amount of the overcharge by applying such amount against rent, unless this Lease has expired or been terminated, in which event Landlord shall refund such amount to Tenant. In the event the Tenant has been undercharged, Tenant shall pay the difference to Landlord. This section shall survive termination of the Lease for a period of one hundred eighty (180) days.

#### Section 4. Landlord's Services.

##### 4.01 Landlord covenants and agrees that it will, furnish:

(i) heat and air conditioning to the Premises between the hours of 8:00 a.m. and 6:00 p.m., Monday through Friday and between 9:00 a.m. and 1:00 p.m. Saturday of each week, except the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day (collectively "Recognized Holidays"). Landlord, at its sole option, may (i) provide overtime HVAC at the Building during hours and at overtime costs actually incurred by Landlord.

(ii) electricity for lighting purposes and operation of ordinary office equipment, including low-wattage office machines such as desk-top microcomputers, desk-top calculators and typewriters, but excluding, high-wattage computers and other equipment requiring heavier than normal office use of electricity ("Excess Use") as determined by Landlord, which Excess Use may be submetered by the Landlord and the cost of such Excess Use and the cost of supplying and installing the submeters may be billed to the Tenant as Additional Rent;

(iii) elevator service;

(iv) janitor and char services Monday through Friday of each week, after 5:00 p.m. except for Recognized Holidays;

(v) Landlord will provide and maintain at Landlord's sole cost and expense, a directory board for the Building located in the main lobby. Landlord agrees to place Tenant's company name and suite number of the Premises on said directory board. Landlord shall also provide at Landlord's sole cost and expense, Tenant with one building standard suite entry sign, for each of Tenant's suites, which shall be placed on or adjacent to Tenant's suite entry door. Changes to either the building directory or the suite entry sign during the course of the Lease shall be performed by Landlord, at the sole cost and expense of the Tenant, within a reasonable time following Tenant's written request. In addition to the foregoing, Tenant may install, at Tenant's sole cost and expense, identifying signage containing Tenant's name and/or logo on the exterior of the Building in two (2) top of Building locations, and one (1) retail "eyebrow signage" location on the façade of the building (the "Exterior Signage"), the location, size, colors and method of attachment of such Exterior Signage being subject to the reasonable review and written approval of Landlord (said approval not to be unreasonably withheld, conditioned, or delayed). Landlord hereby approves the signage depicted in Exhibit "F" attached hereto and made a part hereof. Notwithstanding anything to the contrary contained in this Lease, Tenant's rights to the Exterior Signage are personal to the originally named Tenant and its affiliates and permitted assignees. Tenant shall insure, maintain, repair and replace all Exterior Signage at its sole cost and expense (including the repair and maintenance of all portions of the Building affected thereby), ensure the compliance of such Signage with all applicable laws and obtain and maintain all governmental approvals and permits required in connection therewith, and Tenant shall remove all Exterior Signage on or prior to the expiration or earlier termination of this Lease and repair all damage to the Building caused thereby and restore the area of its installation to its condition existing immediately prior to such installation (normal wear and tear and obligations that are the responsibility of Landlord under this Lease excepted). Landlord will reasonably assist Tenant in obtaining approvals from all applicable governmental authorities to maximize the signage it is able to install at no additional cost to Landlord.

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(vi) If any monument sign identifying occupants of the Building shall hereafter be constructed by Landlord outside of the Building, then Tenant shall have the right to install, and thereafter to maintain, an identification panel upon such sign.

(vii) Tenant shall be permitted to erect Premises directional signage including Tenant's corporate name and/or logo at each of the two (2) parking entrances for the Building. Additionally, subject to all applicable law and any required permits, Tenant shall be permitted to erect Premises directional signage at Landlord's affiliated property located at 6849 Old Dominion Drive, in McLean, Virginia, subject to Landlord's prior approval as to location, size and appearance, such approval not to be unreasonably withheld, conditioned or delayed.

(viii) Landlord at its expense (subject to reimbursement pursuant to Section 3, if and to the extent permitted thereby, shall take steps necessary to comply with applicable laws (including, without limitation, the Americans with Disabilities Act ("ADA") and building and fire codes) to the extent the same apply directly to the exterior and common area walls, main lobby in the Building, slab floors, exterior windows, load bearing elements, foundations, roof and common areas that form a part of the Building, and the building standard mechanical, electrical, HVAC and plumbing systems, pipes and conduits that are provided by Landlord in the operation of the Building and common areas of the Building as a whole; provided, however, that to the extent any non-compliance is a result of the particular use or occupancy of the Premises (as opposed to medical use generally) or any negligence or willful misconduct of Tenant or any agent, or if any improvements made by Landlord to comply with any such law benefits solely the Premises (and not any other premises) and are atypical of those performed for similarly situated tenants, then such compliance shall be at Tenant's cost. If any such law requires an occupancy or use permit or license for the Premises or requires Tenant or its employees to obtain licenses or permits to conduct business in the Premises, then Tenant shall obtain (prior to the date required under applicable law) and keep current such permit(s) or license(s) at Tenant's expense and shall promptly deliver a copy thereof to Landlord. It is expressly understood that if any change in the use of the Premises by Tenant, or any Alterations to the Premises by Tenant, or any future Law requires a new or additional permit from, or approval by, any governmental agency having jurisdiction over the Building, such permit or approval shall be obtained by Tenant on its own behalf and at its sole expense.

Landlord hereby represents and warrants that as of the Lease Commencement Date, to the best of Landlord's knowledge, the common areas and core components of the Building, including all Building systems, are in compliance with the ADA and applicable environmental laws. Landlord shall maintain and operate the Building in a first class manner, keep the Building structure and the Building systems in first class condition and repair, operate, maintain and provide services to the Building as required pursuant to this Lease in a first-class manner comparable to other first-class office buildings in the vicinity of the Building.

(ix) Building hours of operation are 8:00 a.m. to 6:00 pm., Monday through Friday and 9:00 a.m. to 1:00 p.m. on Saturday excluding Recognized Holidays. Tenant shall have twenty-four (24) hours per day, seven (7) days per week, fifty-two weeks per year access to the Premises and Building.

4.02 Limitation of Liability. Landlord will not be in default under this Lease or be liable to Tenant or any other person for direct or consequential damage, or otherwise, for either the failure to supply, or, the sufficiency of (if required or supplied) any heat, air-conditioning, ventilation, elevator, cleaning, lighting or security service; for surges or interruptions of electricity; or for other services Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply or restore such services, nor shall any such failure to supply constitute a constructive eviction of Tenant. Landlord will use reasonable efforts to remedy any interruption in the furnishing of those services required of Landlord hereunder. Notwithstanding the foregoing to the contrary to the extent the Premises are unusable by any event or reason within Landlord's control, the Base Rent and Additional Rent shall be abated from two (2) business days after notice from Tenant that the Premises are unusable until the Premises are able to again

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be used. Landlord reserves the right to temporarily discontinue such services at such times as may be necessary by reason of accident; repairs, alterations or improvements; strikes; lockouts; riots; acts of God; governmental preemption in connection with a national or local emergency; any rule, order or regulation of any governmental agency; conditions of supply and demand that make any product unavailable; Landlord's compliance with any mandatory governmental energy conservation or environmental protection program; or Landlord's compliance with any voluntary governmental energy conservation program at the request of or with consent or acquiescence of Tenant; or any other happening beyond the control of Landlord.

## Section 5. Improvements.

5.01 "As Is" Condition. Subject to Landlord's performance of the Landlord Work (as defined in Exhibit A-1), Tenant accepts the Premises in "as is" "where-is" condition without the obligation of Landlord to perform any work to the Premises. Tenant agrees to improve and construct the Premises in accordance with the mutually agreed upon plans and specifications as shown on Exhibit A-1 (the "**Improvements**") at Tenant's sole cost and expense, subject to the application of the Allowance in accordance with Exhibit A-1. All costs of constructing the Improvements in excess of the Allowance, if any, shall be paid by Tenant.

## Section 6. Upkeep of Premises.

6.01 Except as provided herein, Tenant agrees to maintain the Premises in good order and repair during the term of this Lease. Tenant shall be responsible for maintenance and repair of any of Tenant's fixtures and personal property in the Premises, and the maintenance and repair of any appliances, plumbing fixtures or connections, and other infrastructure related items exclusively serving the Premises and which are not otherwise a Landlord responsibility as provided in this Lease. Unless due to Landlord's negligence Landlord shall not be liable to Tenant for any damage or inconvenience and Tenant shall not be entitled to any abatement or reduction of Rent by reason of any repairs, alterations or additions made by Landlord with respect to the Property or the Premises.

## Section 7. Use of Premises.

7.01 Tenant covenants to use the Premises only for the Permitted Use defined in the Fundamental Lease Provisions and for no other purpose, subject to and in accordance with all applicable zoning and other governmental regulations. Tenant, at its cost and expense, will observe and comply promptly with all present and future laws, ordinances, regulations, orders or other legal requirements of any other public or quasi-public authority having jurisdiction over the Premises. All property of any kind which may be on the Premises shall be at the sole risk of Tenant or those claiming through or under Tenant. Tenant will not install any cigarette, vending machines in or about Premises.

(a) Medical Equipment. Tenant covenants and agrees as follows:

(i) Tenant shall, at its sole cost and expense provide for proper, safe, sanitary, and lawful removal from the Premises and the Building of all biological and medical wastes and all other medical byproducts generated directly or indirectly by Tenant or any other parties claiming by, through or under Tenant (herein collectively "**Tenant Parties**"). The Tenant Parties shall not deposit or dispose of any such wastes, medical byproducts or any hazardous or toxic chemicals or substances (as defined by applicable governmental regulations and laws) in violation of applicable governmental regulations and laws. Tenant shall indemnify, hold harmless and defend Landlord and Landlord's agents, employees and partners from and against any and all losses, costs, damages, expenses, liabilities, litigation (including all appeals), fines, penalties, prosecutions, judgments, investigations, clean up costs, costs to treat and otherwise dispose of any such hazardous wastes or toxic chemicals or substances, costs to comply with applicable laws, rules and regulations, damage to public utility lines and equipment, damage to soil, ground

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water, streams, property of any party or the public, claims of any nature and reasonable attorneys' fees and court costs related to the foregoing, resulting from any violation or breach by any Tenant Parties of any provision of this paragraph. Tenant agrees to pay all reasonable costs incurred by Landlord or Tenant to sort and separate any biological or medical wastes. In the event Tenant does not dispose of its biomedical wastes as provided hereinabove with reasonable promptness, Landlord reserves the right (but does not assume the obligation) at Landlord's sole discretion, to elect to provide trash disposal services for Tenant's biomedical wastes from its business. In such event, Tenant will strictly comply with all of Landlord's reasonable requirements and regulations concerning the storage and disposal of such materials, and Tenant will pay to Landlord as additional rent hereunder, within ten (10) days of each demand therefor by Landlord, all costs of such storage and disposal generated by Tenant. Tenant agrees to exercise due care in handling and disposing of all medical wastes or toxic or hazardous substances ("**Toxic Materials**") placed in the Building by any Tenant Parties. Landlord represents and warrants that to Landlord's actual knowledge the Building, parking facility and property are free of all Toxic Materials upon delivery of possession to Tenant and that the Building shall be maintained in compliance with applicable environmental laws, rules and regulations. The cost of testing, abating or curing any Toxic Materials found to be present (which were not present by reason of any action of Tenant, its agents, employees or contractors or any party acting on behalf of Tenant) shall be at Landlord's sole cost and expense. Landlord shall defend, indemnify and save Tenant and its directors, officers, agents, employees and contractors harmless from and against all claims, obligations, demands, actions, proceedings, judgments, losses, damages and liabilities, fines, penalties and expenses (including, without limitation, sums paid on settlement of claims, reasonable attorneys' fees and reasonable consultant and expert fees and expenses) that anyone or more of them may sustain in connection with any failure of the Premises to comply with environmental laws or in connection with any environmental condition affecting the Premises (excluding any such events arising from the act or omission of Tenant or its agents, contractors or employees).

(ii) If any Tenant Parties are permitted to and do install, operate or use at the Premises any x-ray equipment, all such equipment shall conform to the following requirements: All such x-ray equipment shall be installed, operated, repaired, maintained, replaced and removed by Tenant and at Tenant's sole expense, and Tenant at its own expense will install such shielding and other protection around x-ray machines and other similar equipment so installed and take such other precautionary measures as may be necessary or as required by law or by insurance requirements, in order to ensure the safe operation of such x-ray and similar equipment. Any costs and liability that Landlord or its agents may directly or indirectly incur resulting from the use or operation within the Premises of such x-ray machine or similar equipment, including but not limited to costs arising from property damage, death and personal injury, governmental fines, increases in insurance premiums, and all costs incurred in defending any actions arising therefrom, shall be paid by Tenant; and Tenant agrees to indemnify, defend and hold Landlord and its agents and partners harmless from all such liability and expense.

All powers of approval or consent given to Landlord under this Lease are solely for Landlord's protection and benefit; and no exercise thereof or requirements imposed for such consent shall be deemed a warranty of any kind from Landlord, its agents or employees.

**7.02 Lawful Use.** Tenant shall not permit the Premises, or any part thereof, to be used for any disorderly, unlawful or hazardous purpose, nor for the manufacture of any product therein. In the event that by reason of Tenant's particular use of the Premises or any alterations or other work performed by or on behalf of the Tenant within the Premises or the Building shall result in any governmental requirement that the Landlord expend any funds for compliance with any governmentally required modifications, upgrades, alterations or other legal compliance requirements, Tenant shall be solely liable for such expense and Tenant shall hold harmless and indemnify Landlord from and against any such costs or expenses.

## **Section 8. Tenant's Agreement.**

### **8.01 Tenant covenants and agrees:**

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- (a) to timely pay Landlord all Rent during the term;
- (b) intentionally deleted;
- (c) not to damage or deface the Premises or lobbies, hallways, stairways, elevators, parking and other facilities or approaches thereto of the Property, or the fixtures therein or used therewith;
- (d) not to suffer or permit any trade or occupation to be carried on or use made of the Premises which shall be unlawful, noisy, or injurious to any person or property, or such as to increase the danger of fire or affect or make void or voidable any insurance on the Building or which may render any increased or extra premium payable for such insurance or which shall be contrary to any law, ordinance or regulation, rule or regulation from time to time established by any public authority;
- (e) not to move any furniture, fixtures or equipment into or out of the Premises except at such times and in such manner as Landlord may from time to time reasonably designate;
- (f) not to place upon the interior or exterior of the Property, the Building, window or any part thereof or door of the Premises (or Tenant's suite entry door), any placard, sign, lettering, flags, advertisement, phone numbers, symbols, pictures, window covering or drapes except such and in such place and manner as shall have been first approved in writing by Landlord which approval shall not be unreasonably withheld, conditioned or delayed; to park vehicles only in the areas from time to time designated by Landlord; not to use any floor adhesive in the installation of carpeting without the prior written approval of Landlord which approval shall not be unreasonably withheld, conditioned or delayed;
- (g) to conform to (including all of Tenant's agents, invitees, contractors and employees) all rules and regulations from time to time established by the appropriate insurance rating organization and to all Building Rules and Regulations and Construction Rules and Regulations from time to time established by Landlord, including without limitation those attached to this Lease as Exhibits hereto, with such rules being consistently applied by Landlord and with any changes to such rules being notified in writing, in advance, to Tenant;
- (h) to maintain and keep in good repair, as applicable all plumbing fixtures, drains, grease traps, hoods, vents, generators, dedicated or supplemental HVAC unit(s) and all other infrastructure or specialty items of any kind (collectively the "Fixtures") which exclusively serve Tenant's Premises (and which may extend into portions of the Building, its chases, walls, etc.) and to pay Landlord the reasonable and actual cost of any repair performed by Landlord. In the event Landlord determines that Tenant is not adequately maintaining said Fixtures (the minimum required standard of which shall be not less than quarterly each year and via and outside service agreement with a qualified contractor approved by Landlord), whether installed by Tenant or pre-existing in Tenant's Premises, Landlord may repair or remove said Fixtures when and as deemed necessary by Landlord, and Tenant shall reimburse Landlord for any costs associated with said repair or removal plus the Landlord Maintenance Fee outlined above;
- (i) to be responsible for cost of removal of bulk trash or excessive trash at time of move-in, during occupancy and at move out;
- (j) not to obstruct or interfere with the rights of other tenants;
- (k) not to place a load on any floor exceeding the floor load which such floor was designed to carry in accordance with the plans and specifications of the Building, and not to install, operate, or maintain in the Premises any safe or any item of equipment except in such manner and in such location as Landlord shall prescribe so as to achieve a proper distribution of weight;
- (l) not to conduct or permit in the Premises either the generation, treatment, storage

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or disposal of any hazardous wastes or toxic substances of any kind as defined in and in violation of the Comprehensive Environmental Response, Compensation and Liability Act or any other present or future federal, state, county or local laws or regulations concerning environmental protection, and to prohibit its assignees and subleases and employees, agents and contractors (collectively "Permittees") from doing so; and Tenant shall indemnify, defend and hold Landlord and its agents and partners harmless from all loss; costs, foreseeable and unforeseeable, direct or consequential; damages; liability; fines; prosecutions, judgments, litigation; and expenses, including but not limited to clean-up costs and reasonable attorneys' fees arising out of any violation of the provisions of this Section by Tenant its employees, agents or its Permittees.

#### Section 9. Alterations.

9.01 Tenant shall not make any alterations, additions, or other improvements in or to the Premises or install any equipment of any kind that will require any alterations or additions or affect the use of the Building water system, heating system, plumbing systems, air conditioning system, or electrical system, or install any antennae on the roof, in the windows, or upon the exterior of the Premises, without the prior written consent of Landlord which consent may be withheld in Landlord's sole reasonable discretion. If any such alterations or additions are made by Tenant without Landlord's consent, Landlord may correct or remove them and Tenant shall be liable for any and all reasonable expenses incurred by Landlord in the performance of such work. All plans and specifications for any such work shall be prepared by Tenant at Tenant's expense and shall thereafter be submitted to Landlord for its prior review and written approval, not to be unreasonably withheld, conditioned or delayed. Tenant or Tenant's contractor must obtain and provide evidence of insurance coverage to include: (a) Worker's Compensation Coverage and (b) Public Liability and Property Damage Insurance in the amount of not less than Two Million Dollars (\$2,000,000.00) in the aggregate. All work with respect to such alterations and additions shall be done in a good, workmanlike manner and diligently prosecuted to completion to the end that the Premises shall at all times be a complete unit except during the shortest period necessarily required for such work. All alterations or additions shall, become Landlord's property and a part of the realty surrendered to Landlord upon the expiration of this Lease, unless Landlord shall, at the time of its approval of such work require removal or restoration on the part of Tenant as a condition of such approval, provided however, Tenant is not required to remove any portion of the Tenant's Work upon expiration or termination of the Lease. Notwithstanding anything to the contrary herein, all work by Tenant shall be subject to the Construction Rules and Regulations exhibit attached to this Lease. Notwithstanding anything else contained herein to the contrary, Tenant is permitted to paint, and to make non-structural cosmetic alterations to the Premises that do not require a permit costing less than \$100,000 in an rolling twelve month period without Landlord's consent.

9.02 Mechanic's Liens. Tenant will pay or cause to be paid all costs and charges for work (a) done by Tenant or caused to be done by Tenant, in or to the Premises, and (b) for all materials furnished for or in connection with such work. Tenant will not allow mechanics liens to be filed in connection with such work and will indemnify Landlord against and hold Landlord, the Premises, and the Property free, clear and harmless of and from all mechanics' liens and claims of liens, and all other liabilities, liens, claims, and demands on account of such work by or on behalf of Tenant. Tenant shall remove any liens filed in violation hereof within ten days of notice thereof.

#### Section 10. Indemnification.

10.01 Subject to Section 15.02, Tenant hereby agrees to indemnify and hold Landlord and its officers, agents and employees harmless from and against any cost, damage, claim, liability or expense (including reasonable attorney's fees) incurred by or claimed against Landlord, directly or indirectly, as a result of or in any way arising from Tenant's default under this Lease, Tenant's negligence or willful misconduct related to: (a) the construction of the Tenant Improvements; and/or (b) the use and occupancy of the Premises by Tenant including its employees, contractors, invitees and licensees, except to the extent

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caused by the negligence or intentional or willful misconduct of Landlord, its officers, agents, contractors, invitees and employees. Furthermore, Tenant hereby releases and absolves Landlord from any liability for theft, damage or other loss in connection with any furniture, fixtures, machinery, equipment, inventory or other personal property of any kind belonging to Tenant or to any of its employees, agents, invitees or licensees, except to the extent due to Landlord's negligence or intentional or willful misconduct. Subject to Section 15.02, Landlord hereby agrees to indemnify and hold Tenant and its officers, agents and employees harmless from and against any cost, damage, claim, liability or expense (including reasonable attorney's fees) incurred by or claimed against Tenant, directly or indirectly, as a result of or in any way arising from: (y) Landlord's negligence or willful misconduct related to: (i) the construction of the Landlord's Work, or (ii) the use of the Common Areas, or any work whatsoever done therein; or (z) the non-compliance of the Building or the Common Areas with Applicable Law, except to the extent caused by the negligence or intentional misconduct of Tenant or its officers, agents, employees, contractors or invitees. The obligations of Tenant and Landlord under this Section 10.01 shall survive the expiration or early termination of this Lease.

Section 11. Intentionally Deleted.

Section 12. Assignment & Subletting.

12.01 Tenant will not assign, transfer, mortgage or encumber this Lease or sublet all or a portion of the Premises, without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed if: (1) the proposed sublessee's financial responsibility meets the same criteria Landlord uses to select Building tenants; (2) the proposed sublessee's business is suitable for the Building considering the business of the other tenants and the Building's prestige or would result in a violation of an exclusive right granted to another tenant in the Building; (3) the proposed use is for the Permitted Use; (4) Tenant is not in default beyond any cure period; or (5) any portion of the Building or Premises will not become subject to additional or different laws as a consequence of the proposed assignment or sublease and/or the proposed assignee's or sublessee's use and occupancy of the Premises. Tenant acknowledges that the foregoing is not intended to be an exclusive list of the reasons for which Landlord may reasonably withhold its consent to a proposed sublease. Neither the consent by Landlord to any assignment, transfer, or subletting to any party other than Landlord, nor an assignment, transfer or sublease permitted hereunder shall be construed as a waiver or release of Tenant from the terms of any covenant or obligation under this Lease, or of any guarantor under any guaranty of Lease provided to Landlord, nor shall the collection or acceptance of Rent from any such assignee, transferee, subtenant or occupant constitute a waiver of, or release of, Tenant from any covenant or obligation contained in this Lease. In the event that Tenant defaults hereunder, Tenant hereby assigns to Landlord the Rent due from any subtenant of Tenant and hereby authorizes each such subtenant to pay said Rent directly to Landlord. Notwithstanding the foregoing to the contrary, Tenant shall have the right, without obtaining the consent and approval of Landlord, but upon reasonable written notice (which notice shall include all documentation reasonably requested by the Landlord regarding any such transaction), to (i) assign the Lease or sublease the Premises or any portion thereof to any subsidiary or affiliate of Tenant or Tenant's parent (ii) enter into a Space Use Agreement (a.k.a. Time-Share Agreement) with parties other than Tenant's subsidiary or affiliate of Tenant or Tenant's parent (provided that any such occupant complies with all applicable terms of this Lease). For the purposes hereof, "affiliate" shall mean an entity or individual that controls, is controlled by or is under the common control with Tenant or any parent corporation of Tenant. Notwithstanding the foregoing to the contrary, in no event shall any assignment of the Lease relieve the Tenant from its primary liability under this Lease.

12.02 Prohibited Transfers. The transfer of a majority of the issued and outstanding capital stock of any corporate Tenant or subtenant of the Lease, or a majority of the total interest in any partnership Tenant or subtenant, however accomplished, and whether in a single transaction or in a series of related or unrelated transactions, will be deemed an assignment of this Lease or of such sublease requiring Landlord's consent in each instance. In addition, if Tenant is a partnership, any dissolution of Tenant or withdrawal or

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change, whether voluntary, involuntary or by operation of law, of partners owning a controlling interest in Tenant shall be deemed a voluntary assignment of this Lease and subject to the provisions of this Section. For purposes of this Section, the transfer of outstanding capital stock of any corporate Tenant will not include any sale of such stock by persons other than those deemed "insiders" within the meaning of the Securities Exchange Act of 1934, as amended, effected through the "over-the-counter market" or through any recognized stock exchange.

**12.03 Excess Rentals or other Sums.** If any sublease or assignment (whether by operation of law or otherwise, including without limitation an assignment pursuant to the provisions of the Bankruptcy Code or any other Insolvency Law) provides that the subtenant or assignee thereunder is to pay any amount in excess of the sum of (a) the rental and other charges due under this Lease plus (b) the reasonable, out-of-pocket expenses (excluding any costs attributable to vacancy periods or "downtime") which Tenant reasonably incurred in connection with the procurement or enforcement of such sublease, assignment or other transfer (including, without limitation, brokerage commissions) plus (c) reasonable marketing fees and or customary Real Estate commissions, plus (d) legal fees, plus (e) construction costs, and plus (f) concessions granted in the sublease or assignment, then whether such excess be in the form of an increased monthly or annual rental, a lump sum payment, payment for the sale, transfer or lease of Tenant's fixtures, or leasehold improvements, or any other form (and if the subleased or assigned space does not constitute the entire Premises, the existence of such excess shall be determined on a pro-rata basis), Tenant shall pay to Landlord fifty percent (50%) of any such excess or other premium applicable to the sublease or assignment, which amount shall be paid by Tenant to Landlord as additional rent not later than ten (10) days after any receipt thereof by Tenant. The foregoing notwithstanding, nothing herein shall reduce the amount of rent due to Landlord under the Lease. Acceptance by Landlord of any payments due under this Section shall not be deemed to constitute approval by Landlord of any sublease or assignment, nor shall such acceptance waive any rights of Landlord hereunder. Landlord shall have the right to inspect and audit Tenant's books and records relating to any sublease or assignment and expenses incurred by Tenant in connection therewith.

**12.04 Process to Request Landlord's Consent.** If Tenant wishes to assign the Lease or sublet all or any part of the Premises, Tenant shall, by notice in writing, advise Landlord of its intention from, on and after a stated date (which shall not be less than forty-five (45) days after the date of Tenant's notice) to sublet or assign any part or all of the Premises for the balance or any part of the Term, and, in such event, Landlord shall have the right, to be exercised by giving written notice to Tenant within thirty (30) days after receipt of Tenant's notice, to recapture the space described in Tenant's notice and such recapture notice shall, if given, cancel and terminate this Lease with respect to the space therein described as of the date stated in Tenant's notice. Tenant's notice shall state the name and address of the proposed subtenant or assignee, shall include financial statements for the proposed subtenant or assignee reasonably requested by Landlord, and a true and complete copy of the proposed sublease or assignment shall be delivered to Landlord with said notice. Tenant shall, concurrently with any request for Landlord's consent, pay to Landlord a fee in the sum of One Thousand Five Hundred and 00/100ths Dollars for Landlord's review and processing of such request and Landlord shall not be obligated to review such request prior to Landlord's receipt of such fee. The aforesaid fee shall automatically increase by three percent on each anniversary of the Lease Commencement Date. If Tenant's notice shall cover all of the space hereby demised, and Landlord shall give the aforesaid recapture notice with respect thereto, the Term of this Lease shall expire and end on the date stated in Tenant's notice as fully and completely as if that date had been herein definitely fixed for the expiration of the Term. If, however, this Lease be canceled pursuant to the foregoing with respect to less than the entire Premises, the Rent and the escalation percentages herein reserved shall be adjusted on the basis of the number of square feet retained by Tenant in proportion to the Rent and escalation percentages reserved in this Lease, and this Lease as so amended shall continue thereafter in full force and effect. All reasonable costs and expenses, including attorney's fees incurred by Landlord in connection with any proposed or purported assignment, transfer or sublease shall be borne by Tenant and shall be payable to Landlord as Additional Rent as a condition of Landlord's consent.

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## Section 13. Right of Access.

13.01 Landlord may, upon not less than forty-eight hours (48) hours prior written notice, at reasonable times (and at any time in the event of an emergency as determined by Landlord) during the Lease Term enter to view or inspect the Premises; to determine whether Tenant is complying with its obligations under this Lease; to show the Premises to others; to make repairs to the Building or Premises; to replace, repair, alter or make new or change any fixtures, pipes, wires, ducts, conduits or other construction therein; or to remove placards, signs, lettering, window or door coverings and the like not expressly consented to. Landlord shall maintain a master key for entry at all times during the Term and Tenant shall promptly notify Landlord and provide Landlord with a new master key at Tenant's cost and expense if Tenant shall at any time change the locks on the suite entry doors. Tenant waives any claim against Landlord, its agents, employees, or contractors for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by any entry in accordance with this Section, provided however, Landlord shall use commercially reasonable efforts to minimize disruption or interference with Tenant's business or access thereto. Notwithstanding the foregoing or any provision herein to the contrary, in connection with any requested entry into the Premises by Landlord (not otherwise necessitated by an emergency), Tenant may reasonably require that Landlord schedule such entry on a particular date (such date to be within five (5) business days of the date originally proposed by Landlord) and/or may restrict Landlord's entry into particular portions of the Premises in consideration of Tenant's schedule and use thereof. Landlord may enter to place and maintain notices for letting, free from hindrance or control of Tenant, or to show the Premises to prospective tenants thereof at times which will not unreasonably interfere with Tenant's business, during the last six (6 months) of the Lease Term.. If Tenant shall vacate or abandon the Premises during the term of this Lease, Landlord shall have the unrestricted right to enter the same after Tenant's moving to make preparations for the succeeding tenant or for any other purpose whatever, without affecting Tenant's obligation to pay Rent for the full term.

### 13.02 PRIVACY:

Landlord acknowledges that Tenant is subject to the provisions of the Health Insurance Portability and Accountability Act of 1997 and related regulations ("HIPAA"), and may be or become subject to other state or federal privacy or confidentiality laws or regulations (collectively, with HIPAA, "Confidentiality Requirements"), and that the Confidentiality Requirements require Tenant to ensure the safety and confidentiality of patient medical records. Landlord further acknowledges that, in order for Tenant to comply with the Confidentiality Requirements, Tenant must restrict access to the portions of the Premises where patient medical records are kept or stored. Landlord hereby agrees, that notwithstanding the rights granted to Landlord pursuant to this Lease, except for an emergency entry into the Premises taken pursuant to this Lease or when accompanied by an authorized representative of Tenant, neither Landlord, nor its employees, agents, representatives or contractors shall be permitted to enter those areas of the Premises designated by Tenant as locations where patient medical records are kept or stored or such other areas required to be secured by Confidentiality Requirements or other applicable laws. Tenant agrees to reasonably safeguard any protected health information from any intentional or unintentional disclosure in violation of the Confidentiality Requirements by implementing appropriate administrative, technical and physical safeguards to protect the privacy of such protected health information. The parties agree that neither the Landlord nor its contractors, subcontractors or agents shall need access to, nor shall they use or disclose, any protected health information of Tenant. The parties agree that the foregoing does not create, and is not intended to create a "business associate" relationship between the parties. Notwithstanding the foregoing, Landlord will provide janitorial services in such prohibited or secured areas pursuant to reasonable rules and regulations imposed by Tenant in connection therewith and subject to Tenant's providing reasonable access thereto.

Landlord and Tenant acknowledge that Tenant, in the first instance, is primarily responsible for maintaining and securing health information in the Premises and that such health information may constitute Protected

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Health Information ("PHI"), as defined by HIPAA. Upon the expiration or sooner termination of the Lease, or if Tenant vacates the Premises, regardless of the reason, and any PHI remain in the Premises: (A) Landlord shall use commercially reasonable efforts to keep the PHI confidential, and shall abide by any applicable laws, including HIPAA, regulating the release of the PHI or the medical information contained therein; and (B) any PHI remaining in the Premises shall be deemed abandoned by Tenant and may be disposed of by Landlord in accordance with applicable laws, and Tenant shall indemnify, defend, and hold Landlord harmless from any loss, costs, actions, damages or claims, including reasonable legal fees, related to such abandoned PHI.

#### Section 14. Surrender of Possession.

14.01 Tenant covenants at its sole cost and expense, at the expiration or other termination of this Lease: to remove all goods, equipment, personal property and effects from the Premises not the property of Landlord. Tenant shall leave the Premises in broom clean condition and in good order and repair, reasonable wear and tear excepted; and to yield up to Landlord the Premises and all keys, gate cards, security cards, locks and other fixtures connected therewith in good repair, order and condition in all respects, reasonable wear and tear and damage by fire or other casualty, not caused by Tenant's act or neglect, excepted. Any of Tenant's equipment, alterations, goods, personal property and effects not so removed may, at Landlord's election and without limiting Landlord's right to compel removal thereof, be deemed abandoned and may be retained by Landlord as its property or be disposed of by Landlord. Notwithstanding the foregoing to the contrary, Tenant shall not be required to remove Tenant's original alterations and improvements described in the Work Letter.

14.02 Landlord Costs. In the event Landlord incurs any costs or expenses, whether direct or indirect, due to Tenant's failure to abide by any provisions contained in this Surrender of Possession section, Tenant shall reimburse Landlord its reasonable costs and expenses.

14.03 Move-in/Move-out. Tenant move-in and move-out shall be coordinated through Landlord's Agent and shall be subject to the following limitations, conditions and costs: (i) Tenant shall notify Agent at least ten (10) days prior to any moving; (ii) not used; (iii) Tenant shall cover all floors on all levels of the Building over which Tenant's property shall be moved; (iv) Tenant shall cover the floor and walls of the elevator cabs with padding approved by the Landlord or Landlord's Agent; (v) Tenant shall remain liable for all costs and expenses incurred by Landlord resulting from any damage caused by Tenant's move or Tenant's failure to adhere to the procedures and conditions described herein; (vi) Landlord may, elect to have a Building staff member present during Tenant's move-in or move-out; (vii) Tenant shall comply with all other rules and regulations promulgated by Landlord from time to time.

#### Section 15. Insurance.

15.01 Tenant shall, at its cost and expense, obtain and maintain at all times during the term of this Lease (and prior to the term of this Lease in the event any inspections, construction, wiring and/or any other work occurs within the Building or Premises on behalf of Tenant or by Tenant's contractors), for the protection of Landlord, Landlord's agents and Tenant, Public Liability insurance (Comprehensive General Liability or Commercial General Liability) including Contractual Liability insurance, with a combined personal injury and property damage limit of not less than Two Million Dollars (\$2,000,000) for each claim and not less than Three Million Dollars (\$3,000,000) in the aggregate, insuring against all liability of Tenant and its authorized representatives arising out of and in connection with Tenant's use or occupancy of the Premises. Landlord and Landlord's agent shall be named as additional insureds. Tenant shall, at its cost and expense, obtain and maintain at all times during the term of this Lease, fire and extended coverage insurance on the Premises and its contents, including any leasehold improvements made by Tenant, for the full replacement value thereof in an amount sufficient so that no co-insurance penalty shall be invoked in case of loss. All insurance required under this Lease shall be issued by insurance companies licensed to do business in the state or jurisdiction in which the Building is located. Such companies shall have a

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policyholder rating of at least A and be assigned a financial size category of at least Class VIII as rated in the most recent edition of Best's Key Rating Guide for insurance. All such policies shall require that the insurer give twenty (20) days written notice to Landlord before cancellation or any change in the coverage, scope or amount of any policy. A certificate showing each policy is in effect shall be deposited with Landlord at the commencement of the Lease, and renewal certificates shall be delivered to Landlord at least thirty (30) days prior to the expiration date of any policy. Tenant may satisfy its insurance obligations under this Lease through Greenspring Financial Insurance Limited, Tenant's captive insurance company, licensed in the Cayman Islands (the "Captive Insurer"), provided that the insurance coverage meets the terms as specified above and that the Captive Insurer shall maintain funding at actuarially sound levels to support Tenant's insurance requirements as required hereunder by a qualified actuary. Tenant shall provide to Landlord, upon request, a letter issued by Tenant's actuary verifying Captive is sufficiently funded to meet the insurance requirements as described.

15.02 Waiver of Subrogation. Each party hereby waives every right or cause of action for the events which occur or accrue during the Lease Term for any and all loss of, or damage to, any of its property (whether or not such loss or damage is caused by the fault or negligence of the other party or anyone for whom said other party may be responsible), which loss or damage would be covered by fire, extended coverage, "All Risk" or similar insurance policies covering real property or personal property which are required under this Lease. Each party will give its insurance carrier written notice of the terms of the mutual waiver, and the insurance policies will be properly endorsed, if necessary, to prevent the invalidation of coverage by reason of said waiver.

15.03 Landlord shall obtain and keep in force the following insurance:

(a) Comprehensive general liability insurance coverage on an "occurrence basis" against claims in or about the Building (other than the Premises) for personal injury, including without limitation, bodily injury, death and broad form property damage, in limits of at least \$2,000,000 per occurrence and \$4,000,000 aggregate (or such higher limits as Landlord or Landlord's mortgagee's may from time-to-time require);

(b) Workmen's Compensation and Employer's Liability insurance; and

(c) Special Causes of Loss Insurance insuring the Landlord's interest in the Building and improvements therein in an amount equal to the full replacement value of the Landlord's insurable interest in the Building.

## Section 16. Damage and Destruction.

16.01 In the event the Premises or any part thereof, or the elevators, hallways, stairways or other approaches thereto, be damaged or destroyed by fire or other casualty from any cause, so as to render said Premises and/or approaches unfit for use and occupancy, Landlord will proceed to repair the damage, unless, because of the substantial extent of the damage or destruction, Landlord should decide not to repair or restore the Premises or the Building, in which event and at Landlord's sole option, Landlord may terminate this Lease forthwith, by giving Tenant a written notice of its intention to terminate within ninety (90) days after the date of the casualty. In no event shall Landlord's obligation to restore require Landlord to expend for such repair and restoration work more than the insurance proceeds actually received by the Landlord as a result of the casualty. Landlord shall not be liable for any inconvenience or annoyance to Tenant or injury to the business of Tenant resulting in any way from such damage or the repair thereof, except that Landlord shall allow Tenant a fair diminution of Rent on a per diem basis during the time and to the extent any damage to the Premises causes the Premises to be rendered untenable and not used by Tenant. Landlord and Tenant hereby waive the provisions of any law from time to time in effect during the Lease Term relating to the effect upon leases of partial or total destruction of leased property. Landlord and Tenant agree that their respective rights in the event of any damage to or destruction of the Premises

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shall be those specifically set forth occurs.

#### Section 17. Condemnation.

17.01 This Lease shall be terminated and the rental payable hereunder shall be abated as of the date of such termination in either of the two following events, namely: (1) the forcible leasing or condemnation of the Premises or any part thereof or a sale or leasing in lieu thereof by any competent authority under right of eminent domain for any public or quasi-public use or purpose; or (2) the condemnation or a sale or leasing in lieu thereof by competent authority under right of eminent domain for any public or quasi-public use or purpose of 25% or more of the Building. The forcible leasing by any competent authority of any portion of the Building other than the Premises will have no effect upon this Lease. In case of any taking or condemnation, whether or not the term of this Lease shall cease and terminate, the entire award shall be the property of Landlord, and Tenant hereby assigns to Landlord all its right, title and interest in and to any such award. Tenant, however, shall be entitled to claim, prove and receive in the condemnation proceeding such awards as may be allowed for moving expenses and fixtures and other equipment installed by Tenant but only if such awards shall be made by the Court in addition to the award made by the Court to Landlord for the Property and improvements or part thereof so taken and such award to Tenant does not reduce the award otherwise payable to Landlord.

#### Section 18. Defaults and Remedies.

18.01 It is hereby mutually covenanted and agreed, that any one of the following events shall constitute a default under this Lease:

(a) if Tenant shall fail to keep or perform any covenant, condition or agreement herein contained and on the part of Tenant to be kept and performed other than the payment of Rent, and such failure is continuing for thirty (30) calendar days after written notice of such failure or such longer period as is reasonably necessary to remedy such failure, provided that Tenant shall continuously and diligently pursue such remedy until such failure is cured; or

(b) if Tenant shall fail to pay Rent, Additional Rent or any other amounts when due and such failure continues for a period of ten (10) business days after written notice of such failure, or

(c) if Tenant shall (i) abandon the Premises; (ii) become insolvent, (iii) make an assignment for the benefit of creditors, (iv) file, be the entity subject to, or acquiesce in a petition in any court (whether or not filed by or against Tenant pursuant to any statute of the United States or any state and whether or not a for a trustee, custodian, receiver, agent, or other officer, for Tenant or for all or any portion of Tenant's property) in any proceeding whether bankruptcy, reorganization, composition, extension, arrangement, insolvency proceedings, or otherwise; (v) if Tenant fails to adhere to any building rule or regulation or any construction rule or regulation set for in this Lease or the Exhibits, or

(d) if Tenant shall (i) fail to commence its build-out or Tenant Work (as referenced in the Lease or Work Agreement exhibit) within ninety days following the date of this Lease, or (ii) fail to substantially complete (as evidenced by obtaining a certificate of occupancy or comparable document from the governing authority in which the Building is located) its build-out or Tenant Work (as referenced in the Lease or Work Agreement exhibit) not later than one-hundred eighty days following the date of this Lease, or (iii) fail to physically occupy the Premises and commence its business operations within thirty days following the Lease Commencement Date, or

(e) if the estate hereby created shall be taken on execution or other process of law, or

(f) if Tenant shall (i) generally not pay Tenant's debts as such debts become due, (ii) become insolvent, (iii) make an assignment for the benefit of creditors, or (iv) file, be the entity subject to,

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or acquiesce in a petition in any court (whether or not filed by or against Tenant pursuant to any statute of the United States or any state and whether or not a for a trustee, custodian, receiver, agent, or other officer, for Tenant or for all or any portion of Tenant's property) in any proceeding whether bankruptcy, reorganization, composition, extension, arrangement, insolvency proceedings, or otherwise.

In each and every such case of default listed above that is not cured within the applicable time period, Tenant shall be in default of this Lease and Tenant's right of possession shall thereupon cease and terminate, and Landlord shall be entitled to the possession of the Premises, be permitted to remove all persons and property therefrom and be permitted to reenter the same without further demand of Rent or demand of possession of the Premises, with process of law, all at the sole risk and cost of Tenant, and without Landlord becoming liable to prosecution therefor, any notice to quit or notice of intention to reenter being hereby expressly waived by Tenant. In all cases of default, and/or in the event of a reentry or retaking by Landlord, Tenant shall nevertheless remain liable and answerable for the full Rent to the date of default, retaking or reentry and for all Rent through the balance of the Lease Term and Tenant shall forfeit all unamortized Landlord concessions, allowances for Tenant Work and all other inducements or concessions which may be referenced under the Lease or Work Agreement. Tenant shall also be and remain answerable in damages for (i) any deficiency or loss of Rent, (ii) all related costs and expenses which Landlord may thereby sustain in re-letting the Premises to a new tenant including, without limitation, brokerage commissions, costs of improving or constructing the Premises, rental abatement, architectural fees, engineering fees and legal fees (collectively the "Re-letting Costs"), (iii) all costs and expenses relating to Landlord's efforts to enforce the terms of the Lease and collect amounts due hereunder, and (iv) all costs and expenses incurred by Landlord (whether incurred prior to or after Tenant's occupancy of the Premises) in connection with Tenant's initial lease (or renewals thereof) or occupancy in the Building including, without limitation, brokerage commissions, costs of improving or constructing the Premises, rental abatement, architectural fees, engineering fees and legal fees (collectively the "Lease-Up Costs").

In addition to the foregoing, Landlord reserves full power, at any time after any such default that is not cured within the applicable time period, to do one or more of the following in Landlord's sole discretion: (i) immediately terminate the Lease by written notice to Tenant in which event, Landlord may, at Landlord's option based on Landlord's reasonable estimate, accelerate and immediately make payable to Landlord all Rent and Additional Rent which would have due and payable if Tenant had continued the Lease Term and completed Tenant's obligations there under through the Lease Expiration Date; (ii) re-let said Premises for the account of Tenant for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the term) and on such conditions and upon such other terms (which may include Re-letting Costs as previously described) as Landlord, in its sole discretion, may determine; and/or (iii) cure the default at the expense of Tenant, and Tenant shall reimburse Landlord for any amount expended by Landlord in connection with said cure, plus interest thereon from the date such cost is incurred by Landlord. All damages and related expenses, at the option of Landlord, may be recovered by Landlord at the time of the retaking and reentry, or in separate action(s), from time to time, as Tenant's obligation to pay Rent and Additional Rent would have accrued if the term had continued, or from time to time, as said damages and related expenses shall have been made more easily ascertainable by re-lettings of the Premises. In addition, such action by Landlord may, at the sole option of Landlord, be deferred until the expiration of the Lease Term, and no cause of action by Landlord hereunder shall be deemed to have accrued until the date of the termination of said term. Landlord shall also have the right to enjoin any breach or threatened breach by Tenant of any of the covenants, agreements, terms or conditions in this Lease. The foregoing remedies of Landlord shall be cumulative, and in addition to any remedies available under applicable law.

**18.02 Application of Proceeds.** All Rents and payments received by Landlord from other tenants or users in any re-letting after Tenant's default shall be applied, first to the payment of such expenses as Landlord may have incurred in recovering possession of the Premises; second, to the repayment of the Re-letting Costs outlined above; third, to the repayment of the reasonable costs and expenses incurred by Landlord, either for making the necessary repairs to the Premises or in curing any default on the part of

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Tenant in any covenant or condition herein made binding upon Tenant; fourth, to the repayment of all Lease-Up Costs outlined above and last, any remaining Rent or payments shall be applied toward the payment of Rent and Additional Rent due from Tenant under the terms of this Lease (including all late fees, penalties and other charges outlined in the Lease), and Tenant expressly agrees to pay any deficiency then remaining. Landlord shall in no event be liable in any way whatsoever (nor shall Tenant be entitled to any setoff) for Landlord's failure to re-let the Premises. In the event Landlord re-lets the Premises, any part thereof, together with other premises, or for a term extending beyond the scheduled expiration of the term hereunder, it is understood that Tenant will not be entitled to apply any Rent, Additional Rent or other sums generated or projected to be generated by any such other premises or in the period extending beyond the scheduled expiration of the term of this Lease against Landlord's damages. Landlord, however, at its sole option, may refrain from terminating Tenant's right of possession, and in such case may enforce against Tenant the provisions of this Lease for the full term thereof.

**18.03 Attorney's Fees.** In any action or proceeding which Landlord or Tenant may be required to prosecute to enforce its respective rights hereunder, the unsuccessful party therein shall pay all costs incurred by the prevailing party, including reasonable attorneys' fees, to be fixed by the court, and said costs and attorneys' fees shall be made a part of the judgment in said action.

**18.04 Injunctive Relief.** In addition to other remedies provided in this Lease, Landlord shall be entitled, to the extent permitted by applicable law, to injunctive relief, or to a decree compelling performance of any of the covenants, agreements, conditions or provisions of this Lease, or to any other remedy allowed to Landlord at law or in equity. Forbearance by Landlord to enforce one or more of the remedies herein provided upon an event of default shall not be deemed or construed to constitute a waiver of such default. If Tenant fails to perform any obligation, duty or covenant under this Lease after five (5) days following written notice thereof by Landlord (except that no notice shall be required for the payment of Rent or in circumstances believed by Landlord to constitute an emergency), Landlord shall have the right (but not the duty), to perform such obligation, duty or covenant on behalf and for the account of Tenant. In such event, Tenant shall reimburse Landlord upon demand, as Additional Rent, for all reasonable expenses incurred by Landlord in performing such obligation. Landlord's performance of Tenant's obligations hereunder shall not be deemed a waiver or release of Tenant therefrom. In no event shall Landlord undertake any responsibility or obligation to Tenant or to any third party by reason of the reservation by Landlord of its rights hereunder, nor shall Landlord be liable or responsible for its failure to exercise its cure rights provided herein.

**18.05 Duty to Mitigate Damages.** Nothing contained in this Section 18 shall diminish the duty of the Landlord to mitigate its damages resulting or arising from a breach of the Lease.

## **Section 19. Subordination Clause.**

**19.01** This Lease shall be subject and subordinate at all times to the lien of any mortgage or deed of trust encumbrance or encumbrances which may now or which may at any time hereafter be made a lien upon the Property, the Building of which the Premises are a part or upon Landlord's interest therein. Tenant shall execute and deliver such further instrument or instruments subordinating this Lease to the lien of any such mortgage or deed of trust, encumbrance or encumbrances as shall be desired by any mortgagee or party secured or proposed mortgagee or party proposed to be secured, and Tenant hereby appoints Landlord the attorney-in-fact of Tenant, irrevocably, to execute and deliver any such instrument or instruments for Tenant. If the Landlord's interest under this Lease shall be transferred by reason of foreclosure or other proceedings for enforcement of any mortgage or deed of trust on the Premises or Building, Tenant shall be bound to the transferee's option, under the terms, covenants and conditions of this Lease for the remaining term, including any extensions or renewals, with the same force and effect as if the transferee were Landlord under this Lease, and if requested by transferee, Tenant agrees to attorn to the transferee as its landlord. Tenant waives the provisions of any statute or rule of law, now or hereafter in effect, which may give or purport to give Tenant any right to terminate or otherwise adversely affect this Lease and the obligations of

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Tenant hereunder in the event that any such foreclosure proceeding is prosecuted or completed. In addition, if the Landlord's leasehold interest in any ground lease shall be terminated, Tenant agrees that this Lease shall, at the option of the ground lessor, remain in full force and effect (or if terminated by law as a result of Landlord's interest being terminated, Tenant will enter into a new Lease with the identical terms and conditions of this Lease). Tenant agrees to give any Mortgagee, by certified mail, return receipt requested, a copy of any notice of default served upon Landlord, provided that prior to such notice Tenant has been notified in writing (by way of notice of Assignment of Rents and Leases, or otherwise) of the address of such mortgagees and/or trust deed holders. Tenant further agrees that if Landlord shall have failed to cure such default within the time provided for in this Lease, then the mortgagees and/or trust deed holders shall have an additional thirty (30) days within which to cure such default or if such default cannot be cured within that time, then such additional time as may be necessary if within such thirty (30) days, the mortgagee and/or trust deed holder has commenced and is diligently pursuing the remedies necessary to cure such default (including but not limited to commencement of foreclosure proceedings, if necessary, to effect such cure), in which event this Lease shall not be terminated while such remedies are being so diligently pursued. Tenant agrees that in the event of the sale of the Land or the Building, by foreclosure or deed in lieu thereof, the purchaser at such sale shall only be responsible for the return of any Security Deposit paid by Tenant to Landlord in connection with this Lease to the extent that such purchaser actually receives such Security Deposit. Tenant further agrees that any successor to Landlord's interest shall not be bound by (i) any payment of monthly Rent or Additional Rent for more than one (1) month in advance, except prepayments in the nature of security for the performance by Tenant of its obligations under this Lease or (ii) any amendment or modification of this Lease made without the consent of Landlord's mortgagee or such successor in interest.

#### Section 20. Tenant Holding Over.

20.01 If Tenant shall not immediately surrender possession of the Premises at the termination of this Lease, Tenant shall become a tenant from month-to-month, provided Base Rent or use and occupancy payments shall be paid to and accepted by Landlord, in advance, at a rental rate equal to 125% the rental payable hereunder immediately prior to the termination of this Lease. Landlord shall be entitled to such payments notwithstanding exercise of its right to obtain possession of the Premises during any such holdover. Landlord shall continue to be entitled to retake or recover possession of the Premises without the need to provide a notice to quit hereinbefore provided and Tenant shall be liable to Landlord for any loss or damage it may sustain by reason of Tenant's failure to surrender possession of the Premises immediately upon the expiration of the term hereof. Tenant hereby agrees that all the obligations of Tenant and all rights of Landlord applicable during the term of this Lease shall be equally applicable during such period of subsequent occupancy, whether or not a month-to-month tenancy shall have been created as aforesaid.

#### Section 21. Successors.

21.01 This Lease shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, personal representatives, successors and permitted assigns.

#### Section 22. Notices & Demands.

22.01 All notices required or permitted hereunder shall be deemed to have been given if mailed in any United States Post Office by certified or registered mail, overnight delivery by a nationally recognized carrier such as Federal Express, UPS, or Airborne Express, postage prepaid, addressed to Landlord or Tenant, respectively at the addresses set forth in the Fundamental Lease Provisions or to such other addresses as the parties may designate in writing from time to time.

#### Section 23. Quiet Enjoyment.

23.01 Landlord covenants and agrees with Tenant that upon Tenant paying the Rent and

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observing and performing all the terms, covenants and conditions, on Tenant's part to be observed and performed, Tenant may quietly enjoy the Premises hereby demised, subject, nevertheless, to the terms and conditions of this Lease and to any mortgages and deeds of trust secured by the Building.

#### Section 24. Waiver of Trial by Jury.

24.01 LANDLORD AND TENANT EACH AGREE TO AND THEY HEREBY DO WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND TENANT, TENANT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE, AND ANY STATUTORY REMEDY.

#### Section 25. Governing Law.

25.01 This Lease shall be construed and governed by the laws of the state or jurisdiction in which the Building is located without regard to the conflicts of laws principles.

25.02 For purposes of Section 55-2, Code of Virginia (1950), as amended, this Lease is and shall be deemed to be a deed of lease.

#### Section 26. Miscellaneous.

26.01 Tenant's Representatives. The term "Tenant" shall include legal representatives, successors and assigns. All covenants herein made binding upon Tenant shall be construed to be equally applicable to and binding upon its agents, employees and others claiming the right to be in the Premises, on the Property or in the Building through or under Tenant.

26.02 Pronouns. Feminine or neuter pronouns shall be substituted for those of the masculine form and the plural shall be substituted for the singular, wherever the context shall require. It is also agreed that no specific words, phrases or clauses herein used shall be taken or construed to control, limit or cut down the scope or meaning of any general words, phrases or clauses used in connection therewith.

26.03 Additional Rent. As used in this Lease "Additional Rent" shall consist of all sums of money, costs, expenses or charges of any kind or amount whatsoever (other than Base Rent) which Tenant assumes or agrees to pay, or which become due and payable by Tenant to Landlord under this Lease. If Tenant fails to pay Additional Rent in its entirety when due, Landlord shall have the same rights and remedies under this Lease as in the case of non-payment of Base Rent. Except as otherwise noted herein, any Additional Rent obligations shall be paid with the next installment of Base Rent.

26.04 No Offer. This Lease is submitted to Tenant on the understanding that it will not be considered an offer and will not bind the Landlord in any way until Tenant has duly executed and delivered duplicate originals to Landlord and Landlord has executed and delivered one of such originals to Tenant.

26.05 Intentionally Deleted.

26.06 No Construction Against Drafting Party. Landlord and Tenant acknowledge that each of them and their counsel have had an opportunity to review this Lease and that this Lease will not be construed against Landlord merely because Landlord has prepared it.

26.07 Time of the Essence. Time is of the essence with respect to each and every provision of this Lease.

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26.08 No Waiver. The waiver by Landlord of any agreement, condition or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease, nor will any custom or practice that may grow up between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of Landlord to insist upon performance by Tenant in strict accordance with the terms of this Lease. The subsequent acceptance of Rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

26.09 Limitation on Recourse. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THIS LEASE, THE LIABILITY OF LANDLORD (AND OF ANY SUCCESSOR LANDLORD HEREUNDER) TO TENANT AND ALL TENANT PARTIES SHALL BE LIMITED TO THE INTEREST OF LANDLORD IN THE BUILDING, AND TENANT, FOR ITSELF AND FOR ALL TENANT PARTIES, AGREES TO LOOK SOLELY TO LANDLORD'S INTEREST IN THE BUILDING FOR THE RECOVERY OF ANY JUDGMENT OR AWARD AGAINST THE LANDLORD, IT BEING INTENDED THAT NEITHER LANDLORD NOR ANY MEMBER, PRINCIPAL, PARTNER, SHAREHOLDER, OFFICER, AGENT, DIRECTOR OR BENEFICIARY OF LANDLORD SHALL BE PERSONALLY LIABLE FOR ANY JUDGMENT OR DEFICIENCY.

26.10 Estoppel Certificates. At any time and from time to time but within ten (10) business days after prior written request by Landlord, Tenant will execute, acknowledge, and deliver to Landlord, promptly upon request, a certificate certifying (a) 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 date and nature of each modification; (b) the date, if any, to which Rent and other sums payable under this Lease have been paid; (c) that no written notice of any default has been delivered to Landlord which default has not been cured, except as to defaults specified in said certificate; (d) that there is no event of default under this Lease or an event which, with notice or the passage of time, or both, would result in an event of default under this Lease, except for defaults specified in said certificate; and (e) such other matters as may be reasonably requested by Landlord, Landlord's lender, or any future or prospective Lender. Any such certificate may be relied upon by any prospective purchaser or existing or prospective mortgage or beneficiary under any deed of trust of the Property.

26.11 Severability. If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid, or unenforceable a provision will be added as a part of this Lease as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

26.12 Written Amendment Required. No amendment, alteration, modification of, or addition to the Lease will be valid or binding unless expressed in writing and signed by Landlord and Tenant.

26.13 Entire Agreement. This Lease, the exhibits and addenda, if any, contain the entire agreement between Landlord and Tenant. No agreements, understandings, promises or representations, except as contained in this Lease, have been made or relied upon by either party hereto in connection with this Lease, the condition or the manner of operating the Premises or the Building. If the Tenant is presently a tenant under a lease with the Landlord for the Premises (an "Existing Lease") as of the date of this Lease, the term of such Existing Lease shall terminate immediately prior to the commencement of the Term hereunder, and Tenant shall have no right to exercise any option(s) under any such Existing Lease from and after the date hereof.

26.14 Captions. The captions of the various articles and sections of this Lease are for convenience only and do not necessarily define, limit, describe or construe the contents of such articles or sections.

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26.15 **Landlord's Default.** In the event of any alleged default in the obligation of Landlord under this Lease, Tenant will deliver to Landlord written notice listing the reasons for Landlord's default and Landlord will have 30 days following receipt of such notice to cure such alleged default or, in the event that the alleged default cannot reasonably be cured within a 30-day period, to commence action and proceed diligently to cure such alleged default.

26.16 **Authority.** Tenant and the party executing this Lease on behalf of Tenant represent to Landlord that such party is authorized to do so.

26.17 **Brokers.** Landlord and Tenant respectively represent and warrant to each other that neither party has consulted or negotiated with any broker or finder with regard to the Premises except the Broker(s) outlined in the Fundamental Lease Provisions. Landlord and Tenant will indemnify the other against and hold the other harmless from any claims for fees or commissions from anyone with whom either party has consulted or negotiated with regard to the Premises except the Broker(s) named herein. Landlord has agreed to compensate the Brokers identified in the Fundamental Lease Provisions pursuant to a separate written agreement.

26.18 **Reserved.**

26.19 **Registered Agent.** Landlord hereby specifically designates Corporation Service Company whose address is 100 Shockoe Slip, 2nd Floor, Richmond Virginia 23219 as Landlord's agent for the purpose of service of any process, notice, order or demand required, or permitted by law, to be served upon Landlord. Notwithstanding the foregoing, any notices or other documents required to be delivered or furnished to Landlord pursuant to all other provisions of this Lease shall also be sent to Landlord in accordance with the notice provisions of this Lease.

26.20 **Events of "Force Majeure"** shall include strikes, riots, acts of God, shortages of labor or materials, war, governmental law, regulations or restrictions and any other cause whatsoever that is beyond the control of Landlord. Whenever a period of time is herein prescribed for the taking of any action by Landlord or Tenant, such party shall not be liable or responsible for, and there shall be excluded from the computation of such period of time, any delays due to events of Force Majeure; provided; however, Force Majeure events shall not delay a party's obligation to make payments hereunder.

26.21 **Parking.**

26.21.1 During the Lease Term, Landlord agrees to make available to Tenant its employees, and visitors fifty seven (57) parking spaces (based upon a ratio equal to 3.7 parking spaces for each one thousand (1,000) square feet of rentable square feet of Premises leased by Tenant) (each a "Parking Space" and collectively, the "Parking Spaces") for the parking of standard-sized passenger automobiles in the parking garage ("Garage") and surface parking lot ("Lot") of the Building on a non-exclusive, unassigned, first-come, first-served basis, except that Tenant may designate up to ten (10) of its Fifty seven (57)) parking spaces as reserved and designated for the exclusive use of Tenant's use on the upper deck of the Garage. The location of Tenant's designated parking is outlined in Exhibit " G" attached hereto and made a part hereof. The Garage shall remain open at all time during the Lease Term, subject to closing as reasonably necessary for required maintenance, repairs upon forty-eight (48) hours prior written notice or in the event of an emergency. There shall be no charge for such Parking Spaces used by Tenant's employees during the Lease Term and any Extended Term(s),

26.21.2 Tenant agrees that it and its employees shall observe reasonable safety precautions in the use of the parking lot and shall at all times abide by all rules and regulations promulgated by Landlord and the parking lot operator governing its use. Tenant's employees having the use of monthly parking permits shall be required to display an identification or parking sticker at all times in all cars parked in the

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parking lot. Any car not displaying such a sticker may be towed away at the car owner's expense. In addition, Landlord's and Tenant's use of the parking lot shall be subject to all applicable laws and regulations.

26.21.3 Tenant agrees that the Landlord does not assume any responsibility for, and shall not be held liable for, the performance by the parking lot operator of any agreement between Tenant and such operator (if any), any damage or loss to any automobiles parked in the parking lot or to any personal property located therein, or for any injury sustained by any person in or about the parking lot, except to the extent resulting from Landlord's negligence.

26.22 OFAC Compliance. As an inducement to Landlord to enter into this Lease, Tenant hereby represents and warrants that: (i) Tenant is not, nor is it owned or controlled directly or indirectly by, any person, group, entity or nation named on any list issued by the Office of Foreign Assets Control of the United States Department of the Treasury ("OFAC") pursuant to Executive Order 13224 or any similar list or any law, order, rule or regulation or any Executive Order of the President of the United States as a terrorist, "Specially Designated National and Blocked Person" or other banned or blocked person (any such person, group, entity or nation being hereinafter referred to as a "Prohibited Person"); (ii) Tenant is not (nor is it owned or controlled, directly or indirectly, by any person, group, entity or nation which is) acting directly or indirectly for or on behalf of any Prohibited Person; and (iii) from and after the effective date of the above-referenced Executive Order, Tenant (and any person, group, or entity which Tenant controls, directly or indirectly) has not conducted nor will conduct business nor has engaged nor will engage in any transaction or dealing with any Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation, including without limitation any assignment of this Lease or any subletting of all or any portion of the Premises or the making or receiving of any contribution of funds, goods or services to or for the benefit of a Prohibited Person in violation of the U.S. Patriot Act or any OFAC rule or regulation. In connection with the foregoing, it is expressly understood and agreed that (x) any breach by Tenant of the foregoing representations and warranties shall be deemed a default by Tenant under this Lease, (y) Tenant shall be responsible for ensuring that all assignees of this Lease and all subtenants or other occupants of the Premises comply with the foregoing representations and warranties, and (z) the representations and warranties contained in this subsection shall be continuing in nature and shall survive the expiration or earlier termination of this Lease.

## Section 27. Exhibits.

27.01 The Exhibits referenced in the Table Of Contents of this Lease and as attached hereto are incorporated herein as part of this Lease. Landlord reserves the right to amend or make additions to both the Construction Rules and Regulations and/or the Building Rules and Regulations from time to time.

## Section 28. Renewal Option.

28.01 Provided Tenant is not in default of the Lease after notice to Tenant and the expiration of the applicable cure period, either at the time of exercise of this option or upon the commencement of the Extended Term(s) (as hereinafter defined): Tenant shall have the option to renew (herein the "**Option to Renew**") the Lease, for three (3) additional five (5) year terms ("**Extended Term**") on the same terms, covenants and conditions of this Lease except that the Option to Renew shall be exercisable on a suite-by-suite basis, the Base Rent payable by Tenant during each such Extended Term shall be the prevailing market rate for comparable medical office space in comparable buildings within the Washington, DC metropolitan area taking into account the "market" concessions then being typically provided by landlords in connection with renewals of Lease in comparable buildings, such as an improvement allowance rent abatement and reset of the Base Year) (the "**Fair Market Rental**"). Provided that the aforesaid conditions are met, Tenant may exercise its option by giving Landlord written notice at least nine (9) months but not more than twelve (12) months prior to the expiration of the initial term of this Lease. Once Tenant exercises an Option to Renew as set forth above, Tenant may not revoke said notice and shall be deemed to have renewed the lease

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for the entire Extended Term. If Tenant shall fail to timely exercise an aforesaid Option to Renew as required herein, time being of the essence, all rights of Tenant to the Extended Term(s) hereof shall be of no further force or effect.

Within thirty (30) days following Tenant's written notice to Landlord exercising its option, Landlord shall deliver to Tenant written notice of its determination of the Fair Market Rental. Tenant shall, within twenty (20) days after Landlord's written determination, notify Landlord in writing whether Tenant (a) accepts Landlord's determination or (b) rejects Landlord's determination. In the event Tenant rejects Landlord's determination, Tenant shall submit in writing with such notification Tenant's own determination of the Fair Market Rental. In the event the parties are unable to agree upon the Fair Market Rental within thirty (30) days following Tenant's written notice to Landlord of Tenant's determination, then within fifteen (15) days after written request from the other party, Landlord and Tenant shall mutually designate an arbitrator whose determination of the Fair Market Rental shall be either the Fair Market Rental proposed by Landlord or the Fair Market Rental proposed by Tenant, but no other amount. The arbitrator's determination shall be final and binding upon Landlord and Tenant. If Landlord and Tenant fail to agree upon the choice of such arbitrator within said fifteen (15) day period, then either party may apply to the American Arbitration Association or any successor thereto having jurisdiction to designate an arbitrator. Such arbitrator shall have not less than ten (10) years' experience including work with commercial real estate disputes in the Washington, D.C. metropolitan area. The arbitrator so appointed shall select either the Fair Market Rental proposed by Landlord or the Fair Market Rental proposed by Tenant, but no other amount, and the arbitrator's determination shall be final and binding upon Landlord and Tenant. The costs and fees of the arbitrator making the determination as set forth above shall be divided equally between the Landlord and Tenant.

Within twenty (20) days of the request of Landlord, Tenant shall execute and deliver an amendment to the Lease memorializing the Extended Term and the Base Rent payable during such period.

## Section 29. Right of First Refusal.

29.01 Subject to the terms and conditions of this Section 29, Tenant shall have the continual right to lease (i) during the period commencing on the Lease Commencement Date and ending on December 31, 2022, any space in the Building that becomes available (the "Initial ROFR Space") ("Initial Right of First Refusal"), and (ii) commencing on January 1, 2023, an ongoing right during the initial Term and any Extended Term to Lease any space that is contiguous with the Premises, which becomes available (the "Ongoing ROFR Space") ("Ongoing Right of First Refusal") in the event that Landlord enters into a term sheet, letter of intent, proposed lease or other occupancy agreement or other memorandum of understanding (collectively, an "LOI") expressing the terms upon which Landlord and a prospective tenant each agree to lease any portion of such Initial ROFR Space or Ongoing ROFR Space, as applicable. If Landlord and a prospective tenant execute an LOI ("Executed LOI") for the Initial ROFR Space up to and including December 31, 2022 or for Ongoing ROFR Space on or after January 1, 2023 of thereafter during the initial Term or any Extended Term, and provided that (i) this Lease is in force, (ii) (for Ongoing ROFR Space) at least two (2) full years then remain unexpired in the then operative term hereof (provided, however, that if Tenant then has an Extended Term remaining, Tenant may elect to irrevocably exercise the option for such Extended Term in order to comply with this requirement; it being agreed that the restriction on exercising such option prior to twelve (12) months prior to the Lease Expiration Date being hereby waived), and (iii) Tenant is not then in default of the Lease after notice to Tenant and the expiration of any applicable cure period, then and in such event, Landlord will so notify Tenant in writing within three (3) business days of the date the Executed LOI was executed by both Landlord and the prospective Tenant, and will include in such notice (the "Expansion Offer Notice") a copy of the Executed LOI. Tenant shall have thirty (30) days ("30-Day Period"), time being of the essence, from receipt of the Expansion Offer Notice, within which to notify Landlord in writing of: (x) Tenant's irrevocable acceptance of such offer (the "Expansion Acceptance Notice") to add all of the Initial ROFR Space or Ongoing ROFR Space, as applicable, to the Premises upon the terms and conditions set forth in the Executed LOI provided that the term of the lease

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for the ROFR Space will correspond with the term of this Lease. Any material amendments to the Executed LOI shall be delivered to Tenant within three (3) business days of the full execution of any material amendment to the Executed LOI and, in such event, Tenant's 30-Day Period shall run from Tenant's receipt of the material amendments to the Executed LOI. If Tenant timely sends the Expansion Acceptance Notice, Landlord will prepare and deliver an amendment to the Lease demising to Tenant the Initial ROFR Space or Ongoing ROFR Space, as applicable, and accurately memorializing the terms and conditions applicable to the Initial ROFR Space or Ongoing ROFR Space, as applicable, as set out in the Expansion Offer Notice and no other terms or conditions (the "ROFR Expansion Amendment"). Tenant agrees to execute the ROFR Expansion Amendment and return same to Landlord within ten (10) days after Landlord sends same to Tenant and if Tenant executes and returns same timely as aforesaid, Landlord will execute and deliver to Tenant a counterpart original of the ROFR Expansion Amendment. If Tenant fails to timely execute and deliver the Expansion Acceptance Notice and/or the ROFR Expansion Amendment (or is precluded hereunder from doing so), then in any such event Landlord shall be free to lease that space to the prospective tenant set forth in the Executed LOI.

29.02 Notwithstanding the foregoing, if (i) Tenant was entitled to exercise a Right of First Refusal but failed to deliver an Expansion Acceptance Notice within the ten (10) business day period, and (ii) thereafter prior to entering into a lease (or leases) for such Initial ROFR Space or Ongoing ROFR Space, as applicable, either (x) Landlord proposes to lease the respective the Initial ROFR Space or Ongoing ROFR Space, as applicable, to a prospective tenant on terms that are "materially more favorable" than those set forth in the ROFR Notice previously delivered to Tenant, then Tenant's rights shall be revived and Tenant shall once again have a Right of First Refusal with respect to the respective the Initial ROFR Space or Ongoing ROFR Space, as applicable. For purposes hereof, the terms offered to a prospective tenant shall be deemed to be "materially more favorable" from those set forth in the ROFR Notice if there is a reduction of more than five percent (5%) in the gross rental cost per rentable square foot of the Initial ROFR Space or Ongoing ROFR Space, as applicable, to the prospective tenant, when compared with the gross rental cost per rentable square foot for the Initial ROFR Space or Ongoing ROFR Space, as applicable, under the ROFR Notice. Gross rental cost per square foot shall be determined by considering all of the economic terms of both proposals, respectively, including, among other relevant factors, the fixed rent, the tax and expense escalation, the additional rent, any free rent periods, tenant improvement allowances or build outs and any other concessions and allowances.

### Section 30. Tenant Special Cancel Right.

A. Provided that Tenant is not in default beyond any applicable notice and cure period, at the time that Tenant provides the "Vacate Notice" (as hereinafter defined) and has not exercised its Ongoing Right of First Refusal, Tenant shall have the one-time right ("Tenant's Special Cancel Right"), in Tenant's sole discretion, to terminate this Lease effective on the date that is the last day of the seventh (7<sup>th</sup>) Lease Year (such last day being the "Vacate Date"). Tenant shall exercise Tenant's Special Cancel Right by giving Landlord written notice (the "Vacate Notice") of such election at least nine (9) months prior to the Vacate Date. Any such Vacate Notice shall be effective if and only if Tenant shall include with such Vacate Notice payment to Landlord of the "Lease Termination Fee" (as hereinafter defined). If Tenant exercises Tenant's Special Cancel Right, then Tenant agrees to and shall surrender to Landlord sole and exclusive possession of the entire Premises by not later than the Vacate Date, in the physical condition required in this Lease for surrender of possession and free of occupants and subleases, broom clean and with all of Tenant's personal property removed therefrom, and in good condition, ordinary wear and tear and damage by fire or other casualty excepted (collectively, the "Vacate Condition"). Time is of the essence of all of Tenant's obligations under this Section.

B. For purposes hereof, the Lease Termination Fee shall be the amount equal to (i) an amount equal to the unamortized costs then remaining as of the Vacate Date based upon a recovery period of 120 months and computed on a straight line, seven percent (7%) interest basis of the "Lease Costs" (as hereinafter defined). "Lease Costs" shall mean the sum of the brokerage commissions incurred in

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connection with this Lease, the amount of the Rent Abatement during the Abatement Period described in Article I.K and the Allowance to which Tenant is entitled under Exhibit A-1 attached hereto and the reasonable legal expenses incurred in the preparation of this Lease.

C. Tenant's exercise of the Special Cancel Right shall not be revocable by Tenant. If Tenant exercises the Special Cancel Right in compliance with all conditions of this Section 30, Tenant's obligation to pay rentals and other sums shall prospectively terminate from and after the date (the "Expiration Date") which is the later to occur of (X) the Vacate Date; or (Y) such later date (if any) when Tenant surrenders the Premises to Landlord in the Vacate Condition. Tenant shall pay all rent and other sums and shall perform all of its obligations with respect to the Premises through and including the Expiration Date. Notwithstanding anything to the contrary set forth in this Section 30, it is agreed that if Tenant gives Landlord the Vacate Notice, and if Tenant does not surrender to Landlord exclusive possession of the entire Premises in the Vacate Condition within thirty (30) days following the Vacate Date, then in such event Landlord at Landlord's sole and absolute discretion shall have the right to elect, by written notice sent to Tenant, either to (I) declare the Tenant's exercise of the Special Cancel Right null and void ab initio, and require that all of Tenant's obligations for rent and other performance with respect to the Premises under this Lease continue in force for the balance of the term of this Lease, whereupon Landlord shall apply the Lease Termination Fee to the payments of rent and other sums to which Landlord is entitled to receive hereunder until exhausted in full; or (II) declare that Tenant's exercise of the Special Cancel Right is valid, in which event (a) Tenant's occupancy of the Premises beyond the Vacate Date shall be as a holdover Tenant and Tenant shall be liable to Landlord for monthly use and occupancy payment for the Premises during any period of occupancy thereof beyond the Vacate Date in accordance with the provisions of Section 30, and (b) Tenant shall be liable to Landlord for payment of all loss, costs, damage and expense incurred by Landlord as a result of Tenant's failure to surrender the Premises by the Vacate Date, including but not limited to loss of or delay in commencement of any new lease of the Premises and loss of rent and other income from such new lease, and all costs and expenses Landlord incurs in recovering possession of the Premises. It is recognized that in the event Tenant delivers the Vacate Notice, Landlord will be relying on Tenant's assurance thereunder that Tenant will surrender possession of the Premises by the Vacate Date, and that Landlord will sustain substantial damages and loss from failure of Tenant to timely surrender the Premises by the Vacate Date. Landlord alone shall have the right in its sole discretion to waive in writing any or all conditions contained in this Section 30 for Landlord's benefit.

#### Section 31. Right of First Refusal – Sale of the Building.

A. If at any time during the initial Term or any Extended Term, Landlord shall receive a bona fide offer to purchase the Building from an unrelated third party, which offer Landlord desires to accept, Tenant shall have the right of first refusal to purchase the Building (the "Sale ROFR") as follows: Landlord shall deliver to Tenant a written notice (the "Sale ROFR Offer") specifying the principal terms and conditions upon which it will agree to sell the Building to such third party, which principal terms shall include, but not be limited to, purchase price, deposit, closing time line, permitted title exceptions and other terms. Landlord shall include a copy of the third party purchase offer with the Sale ROFR Offer; provided, however, that (i) Landlord may redact the name of such third party offeror therefrom, and (ii) Tenant, its agents, brokers, employees and related parties shall keep the offeror's name and all terms and conditions identified such third party offer strictly confidential. Within twenty (20) days after receipt of such Sale ROFR Offer (the "Sale ROFR Exercise Period"), Tenant shall either accept or reject said Sale ROFR Offer in writing to Landlord, time being of the essence. Tenant's failure to timely make a written election to accept the ROFR Offer shall be deemed a rejection thereof. If Tenant rejects Sale ROFR Offer or is deemed to have rejected the same, Landlord shall be free to sell the Building to such third party offeror (or its assignee) upon such terms and conditions as Landlord may elect in its sole discretion.

B. Negotiation of Purchase Agreement. In the event that Tenant timely accepts the ROFR Offer, then, within fourteen (14) days after Tenant's acceptance of the Sale ROFR Offer, Landlord and Tenant shall thereafter negotiate in good faith the terms of a purchase and sale agreement in accordance

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with the Sale ROFR Offer pursuant to which Tenant shall purchase the Building from Landlord (the "Purchase Agreement") (such fourteen (14) day period being the "PSA Negotiation Period"). Landlord shall prepare the initial draft of the Purchase Agreement on Landlord's standard form thereof. If despite good faith negotiations, the parties have not mutually executed a Purchase Agreement prior to the expiration of the PSA Negotiation Period, the applicable ROFR Offer shall thereafter be void and of no further force or effect. If the parties execute a Purchase Agreement, and Tenant fails to subsequently close on the Building in accordance with the terms of the Purchase Agreement, then in addition to all rights and remedies available to Landlord under the Purchase Agreement, the applicable Sale ROFR Offer Tenant exercised in connection with such Purchase Agreement shall thereafter be void and of no further force or effect.

C. Tenant's rights under this Section 31 are personal to the Tenant and its permitted assignees.

**Section 32. Waiver of Consequential Damages.** Except as provided in Section 20.1 (Holdover) above, each of Landlord and Tenant waive the right to seek any and all special, consequential, indirect or punitive damages.

**Section 33. Exclusivity.**

A. Landlord warrants that during the Term, it will not lease any space in the Building to the Health System Competitors listed on Exhibit E. If this Section shall be violated by Landlord and Landlord shall not cure such violation within thirty (30) days after receipt of Tenant's notice thereof, Tenant, at any time thereafter until Landlord cures such violation, upon five (5) days prior written notice to Landlord, may, as Tenant's sole remedy, except for the Exclusive Termination Right outlined below, abate Base Rent and Tenant's Pro-Rata Share of Operating expenses and Real Estate Taxes ("Exclusive Rent Abatement") starting the first day the violation occurred until the violation has been cured. Notwithstanding the foregoing, if Landlord shall not cure the violation within one hundred eighty (180) days after receipt of Tenant's notice of such violation to Landlord, then Tenant, at any time thereafter until Landlord cures such violation, upon five (5) days prior written notice to Landlord, may, as Tenant's sole remedy except for the Exclusive Rent Abatement, terminate the Lease ("Exclusive Termination Right"), such termination to be effective ten (10) days after the date of Landlord's receipt of such notice.

B. Landlord warrants that during the Term, it will not lease any space in the Building to a third-party for the operation of any of the Tier 1 Service listed on Exhibit E without the prior written consent from the Tenant, which consent may be withheld in Tenant's sole discretion. If Landlord wishes to lease space in the Building to a third-party for the operation of a Tier 1 Service, Landlord shall, by notice in writing, advise Tenant of its intention to lease certain space in the Building to a third-party for the operation of a Tier 1 Service ("Tier 1 Notice"), which Tier 1 Notice shall reasonably describe the Tier 1 Service and the proposed space in the Building for such Tier 1 Service. Tenant shall have thirty (30) days from receipt of such Tier 1 Notice, time being of the essence, to notify Landlord that it will not to consent to Landlord's lease of such space in Building pursuant to the Tier 1 Notice. If Tenant does not notify Landlord of its withholding of its consent regarding the Tier 1 Notice or does not respond to the Tier 1 Notice within such 30-day period, time being of the essence, then Landlord shall be free to lease the space in accordance with the Tier 1 Notice.

C. Landlord agrees that its right to lease space in the Building for the operation for a Tier 2 Service listed of Exhibit E shall not commence until ninety (90) days after the Effective Date of this Lease and shall be subject to Tenant's Right of First Refusal ("Tier 2 ROFR") as follows: If Landlord and a prospective tenant execute an LOI for the operation of a Tier 2 service in the Building ("Tier 2 Executed LOI"), Landlord will so notify Tenant in writing within three (3) business days of the date the Tier 2 Executed LOI was executed by both Landlord and the prospective Tenant, and will include in such notice (the "Tier 2 Offer Notice") a copy of the Tier 2 Executed LOI. Tenant shall have thirty (30) days ("Tier 2 30-Day Period"), time being of the essence, from receipt of the Tier 2 Offer Notice, within which to notify Landlord in writing of Tenant's irrevocable acceptance of such offer (the "Tier 2 Acceptance Notice") to

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lease the space identified in the Tier 2 Offer Notice for the Tier 2 Service identified in the Tier 2 Offer Notice pursuant to the terms outlined in the Tier 2 Offer Notice. Any material amendments to the Tier 2 Executed LOI shall be delivered to Tenant within three (3) business days of the full execution of any material amendment to the Tier 2 Executed LOI and, in such event, Tenant's 30-Day Period shall run from Tenant's receipt of the material amendments to the Tier 2 Executed LOI. If Tenant timely sends the Tier 2 Acceptance Notice, Landlord will prepare and deliver an amendment to the Lease demising to Tenant the Tier 2 Space and accurately memorializing the terms and conditions as set out in the Tier 2 Offer Notice (the "Tier 2 Amendment"). Tenant agrees to execute the Tier 2 Amendment and return same to Landlord within thirty (30) days after Landlord sends same to Tenant and if Tenant executes and returns same timely as aforesaid, Landlord will execute and deliver to Tenant a counterpart original of the Tier 2 Amendment. If Tenant fails to timely execute and deliver the Tier 2 Acceptance Notice (or is precluded hereunder from doing so), then in any such Landlord shall be free to lease that space to the prospective tenant set forth in the Tier 2 Executed LOI. Any Tier 2 Space offered to Tenant pursuant to this Article 33, shall not also be subject to Tenant's Right of First Refusal pursuant to Article 29, except pursuant to an Executed LOI that is not for a Tier 2 Service.


D. The provisions of this Article 33 shall not apply to any existing tenants of the Building with leases that predate the Effective Date, together with their permitted successors and assigns, except that if any tenant under such existing lease wishes to change the use to be employed at its premises and if Landlord has a right of approval over such change of use, then Landlord will not consent to such change of use, except in accordance with this Section 33. The Exclusive Covenant shall be personal to Tenant and its permitted assignees and affiliates.

E. Notwithstanding the foregoing, in the event a "Rogue Tenant" (as defined below) results in the violation of this Article 33, such violation shall not be deemed a violation by Landlord of this Article 33, provided however, Landlord shall take immediate action to enjoin Rogue Tenant's use that results in violation of this Article 33. A "Rogue Tenant" shall mean and refer to any tenant or occupant of the Building that operates for a use that results in a violation of this Article 33, but that is not permitted under such Rogue Tenant's Lease.

[Signature page follows]

IN WITNESS WHEREOF, Landlord has hereunto executed this Lease by its duly authorized Manager and Tenant has caused its name to be hereunto subscribed and Tenant has hereunto set its hand and seal, or has caused its corporate name to be hereunto subscribed and attested by it duly authorized officer as the case may be as of the day and year first above written.

**WITNESS:**

  
\_\_\_\_\_

**LANDLORD:**

**SIP / CREF 1420 Beverly LLC,  
a Delaware limited liability company**

By: SIP 1420 Beverly, LLC,  
a Maryland limited liability company,  
its Manager

By: \_\_\_\_\_ (SEAL)  
John H. Stewart, Manager

**WITNESS:**

\_\_\_\_\_

**TENANT:**

**MEDSTAR MEDICAL GROUP II, LLC, a  
Maryland Limited Liability Company**

By: \_\_\_\_\_ (SEAL)  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**Tenant: MEDSTAR MEDICAL GROUP II, LLC,  
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IN WITNESS WHEREOF, Landlord has hereunto executed this Lease by its duly authorized Manager and Tenant has caused its name to be hereunto subscribed and Tenant has hereunto set its hand and seal, or has caused its corporate name to be hereunto subscribed and attested by its duly authorized officer as the case may be as of the day and year first above written.

WITNESS:

LANDLORD:

SIP / CREF 1420 Beverly LLC,  
a Delaware limited liability company

By: SIP 1420 Beverly, LLC,  
a Maryland limited liability company,  
its Manager

\_\_\_\_\_


By: \_\_\_\_\_ (SEAL)  
John H. Stewart, Manager

WITNESS:

TENANT:

MEDSTAR MEDICAL GROUP II, LLC, a  
Maryland Limited Liability Company

\_\_\_\_\_

By:  (SEAL)  
Name: Richard Goldberg MD  
Title: President MM2

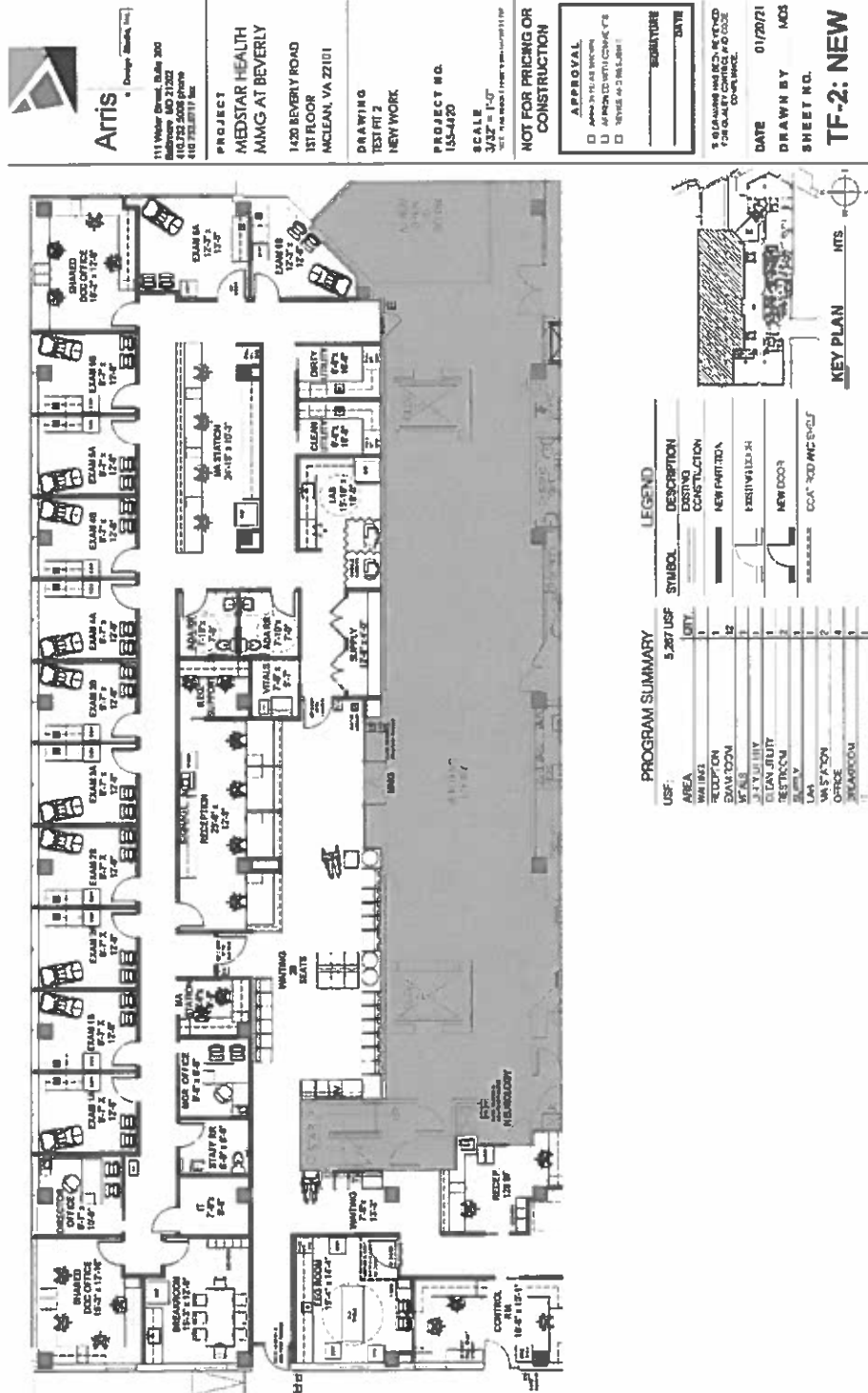
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1420 Beverly Road Lease Agreement

# EXHIBIT A

## DESCRIPTION OF PREMISES

**Suite 100 (excluding the bottom left suite which is Suite 105):**



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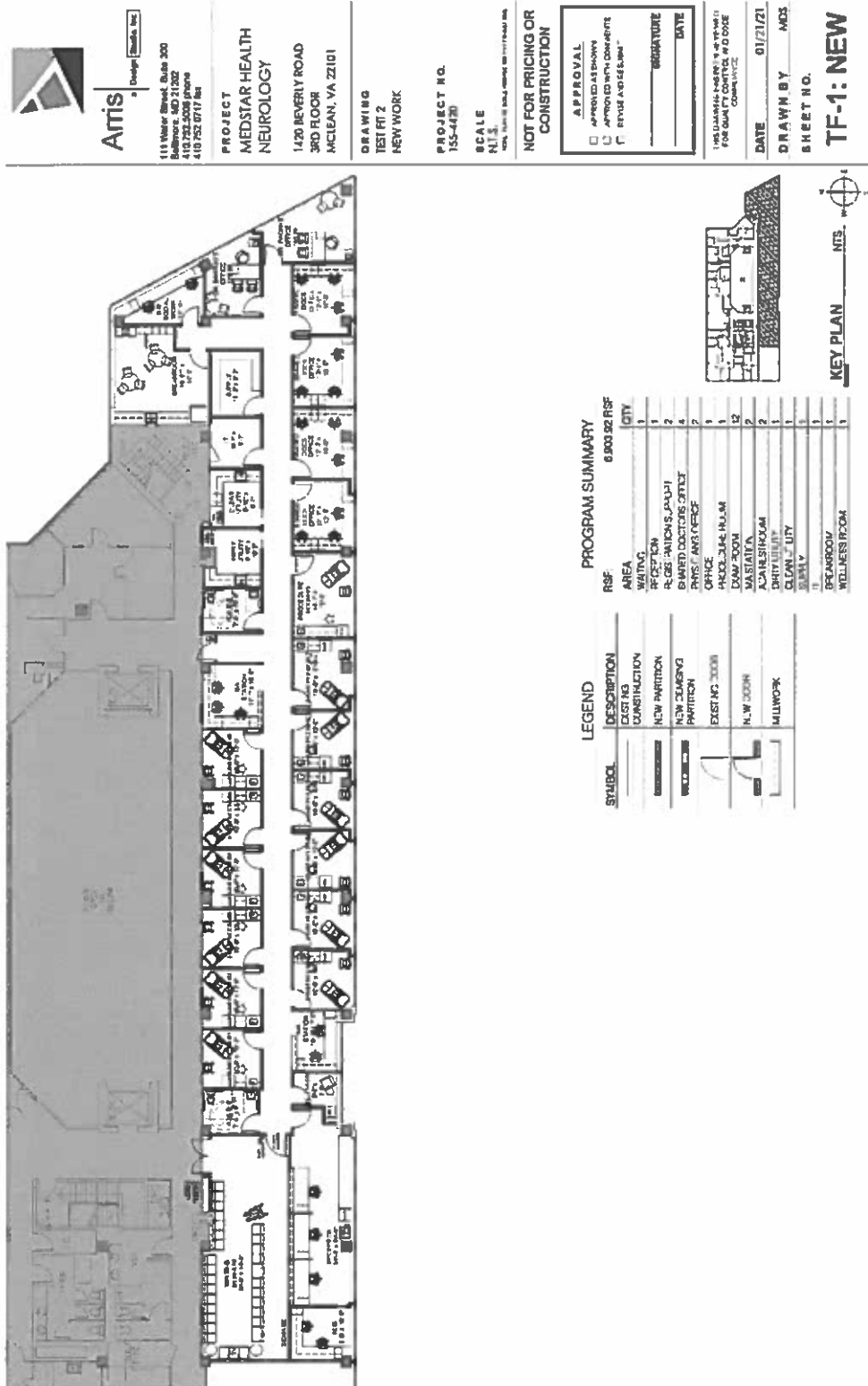
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Exhibit A, Page 2







## **EXHIBIT A-1**

### **WORK AGREEMENT**

#### **A. Plans.**

1. This Work Agreement sets forth the obligations of Landlord and Tenant with respect to the preparation of the Premises for Tenant's occupancy. All improvements described in this Work Agreement to be constructed in and upon the Premises by Landlord are hereinafter referred to as the "Landlord Work." Landlord shall enter into a direct contract for the Landlord Work with a general contractor selected by Landlord. In addition, Landlord shall have the right to select any subcontractor(s) used in connection with the Landlord Work. All other improvements shall be constructed by Tenant (the "Tenant Work") at Tenant's sole cost and expense, subject to the application of the Allowance, in accordance with plans and specifications (the "Tenant Plans") that shall be approved by Landlord in writing. Landlord will provide reasonably detailed reasons for any disapproved aspect of submitted plans and specifications. Such Tenant Plans shall include without limitation the following:

(i)

(ii) Final schematic floor plan and equipment floor plan, together with related information for mechanical, electrical and plumbing design work, showing partition arrangement and reflected ceiling plans (three (3) sets), including without limitation the following information: (a) Floor Plan at minimum 1/4" = 1'0" scale; (b) Elevations; (c) Identification of all materials to be used in the construction of the Premises; (d) Identification and location of any items which would exceed 100 lbs. per sq. ft. loading (i.e. deposit safes and mechanical equipment); (e) Reflected ceiling plan;.

(iii) after the Tenant's Work is finally completed, as built plans in CAD format, plus three (3) reproducible sets, and

(iv) Final architectural detail and working drawings, finish schedules and related plans (three (3) reproducible sets) including without limitation the following information and/or meeting the following conditions: (a) materials, colors and designs of wall coverings, floor coverings and window coverings and finishes; (b) paintings and decorative treatment required to complete all construction; (c) complete, finished, detailed mechanical, electrical, plumbing and structural plans and specifications for the Tenant Improvements (as defined below), including but not limited to the fire and life safety systems and all work necessary to connect any special or non-standard facilities to the Building's base mechanical systems; (d) all final drawings and blueprints must be drawn to an appropriate scale as reasonably determined by the Landlord.

2. The "Landlord Work" shall consist solely of the following: Landlord shall deliver the Premises to Tenant in unfinished, shell condition, in compliance with base building codes.

3. Any architect or designer acting for or on behalf of Tenant shall be deemed to be Tenant's agent and authorized to bind Tenant in all respects with respect to the design and construction of the Premises

4. Notwithstanding anything to the contrary set forth herein, or in the Lease, Tenant shall not without the prior written approval of the Landlord, not to be unreasonably withheld conditioned or delayed, perform any work which would: (1) require changes to structural components of the Building, or the exterior design of the Building other than the Exterior Sign; (2) require any material modification to the Building's mechanical, electrical or plumbing systems or installations outside the Premises; (3) not comply with all applicable laws, rules, regulations and requirements of any governmental department having jurisdiction over the construction of the Building and/or the Premises, including specifically but without limitation the Americans with Disabilities Act; or (4) be incompatible with the building plans filed with the appropriate governmental agency from which a

building permit is obtained for the construction of the Tenant Improvements or with the occupancy of the Building as a professional office building. Tenant shall not oppose or delay changes required by any governmental agency affecting the construction of the Building and/or the Tenant Work in the Premises.

5. Landlord agrees to provide to Tenant an allowance with respect to the construction of improvements upon the Premises in an amount not to exceed Eighty Dollars (\$80.00) per rentable square foot of the first floor of the Premises and Sixty-Five Dollars (\$65.00) per rentable square foot of the third floor of Premises (the "Allowance"). Such Allowance shall be first applied to the cost of (i) construction oversight fee, to Landlord in the amount equal to one percent (1%) of the Allowance, then to (ii) any costs attributed to county, jurisdictional or state related improvements required to be made to the Premises or Building which arise due to Tenant's Plans, work contemplated, or caused by the filing for permit(s) on behalf of Tenant or related to the Premises, and then to (iii) actual construction costs (materials and labor) and design costs of Tenant's Work (all such total costs hereinafter collectively referred to as "Tenant Improvement Costs"). Tenant may use up to ten percent (10%) of the Allowance toward the costs of telephone and computer systems, cabling and wiring, and movable furniture and any other FFE ("Cabling and Equipment Costs"). Payment of the Allowance will be made, within thirty (30) days following the last to occur of Tenant's moving in to the Premises and Landlord's receipt of (i) Tenant's sworn statements and applications for payment; (ii) sworn statements and recordable lien waivers from all of Tenant's contractors; (iii) confirmation that the Tenant's Work has been completed in accordance with the Tenant Plans; and (iv) such other documents and instruments as Landlord may reasonably require, all in form and substance reasonably satisfactory to Landlord. Any improvement or work done or authorized by Tenant or performed to Tenant's account, shall be promptly paid by Tenant. All work referenced in this Work Agreement exhibit shall be deemed to be Alterations for purposes of this Lease and all terms and conditions contained the Alterations section of this lease shall also apply to this Work Agreement provided, however Tenant is not required to remove any portion of the Tenant's Work upon expiration or termination of the Lease.

#### **B. Construction.**

1. **Selection of General Contractor.** Once Landlord has approved the Tenant Plans, Tenant shall submit the Tenant Plans to contractors agreed upon and approved by Tenant and Landlord. Tenant shall select the contractor ("Contractor") which will undertake construction of the Tenant Work.

2. **Construction By Contractor.** In undertaking the Tenant Work, the Contractor shall comply with the following conditions:

a. No work involving or affecting the Building's structure or the plumbing, mechanical, electrical or life/safety systems of the Building shall be undertaken without (i) the prior written approval of Landlord, in its sole discretion, (ii) the supervision of Landlord's building engineer, the actual cost of which supervision shall be borne by Tenant and subject to the construction oversight fee to landlord under A.5.(i); ); (iii) compliance by Tenant and the Contractor with the insurance requirements set forth below; and (iv) compliance by Tenant and the Contractor with all of the terms and provisions of this Work Agreement;

b. Prior to the initiation of any of the Tenant Work, Tenant or Contractor shall post a performance bond or provide to Landlord other evidence satisfactory to Landlord, in its sole discretion, of the Contractor's ability to finish the Tenant Work;

c. All Tenant Work shall be done in strict conformity with (i) the final approved Tenant's Plan; (ii) all applicable codes and regulations of governmental authorities having jurisdiction over the Building and the Premises; (iii) valid building permits and other authorizations from appropriate governmental agencies. Any work not acceptable to the appropriate governmental agencies or not reasonably satisfactory to Landlord shall be promptly replaced at Tenant's expense. Notwithstanding any failure by Landlord to object to any such work, Landlord shall have no responsibility therefore.

### **3. Insurance Requirements.**

a. The Contractor shall not commence the Tenant Work until it has obtained all the insurance required hereunder from insurance companies which are licensed to do business in the jurisdiction in which the Building is located and have been approved by Landlord, nor shall the Contractor allow any subcontractor to commence any portion of the Tenant Work until all insurance required of the subcontractor has been so obtained and approved. The Contractor and each subcontractor shall maintain all insurance required under this subparagraph until final acceptance of the Tenant Work. The following are the minimum insurance coverages:

(1) **Worker's Compensation and Employer's Liability Insurance:**

Worker's Compensation - Statutory amounts and coverage as required by laws of the place where the Building is located.

Employer's Liability - \$500,000.00 per occurrence or statutory amounts whichever is higher.

(2) **Commercial General Liability Insurance.**

Public Liability: Including Premises/Operations, Elevator, Products, Completed Operations, Contractual Coverage, Independent Contractor's Liability, Broad Form Property Damage and Personal Injury with policy naming Tenant as additionally insured. Two Million Dollars (\$2,000,000.00) aggregate.

Bodily and Personal Injury Liability and Property Damage Liability: Including XCU (Explosion, Collapse and Underground Damage). Two Million Dollars (\$2,000,000.00) aggregate

(3) **Comprehensive Automobile Liability Insurance:** Including owned, non-owned, and hired vehicles. One Million Dollars (\$1,000,000.00) combined single limit.

b. Certificates of insurance shall be filed with the Landlord and Tenant. Any certificate filed with the Landlord or Tenant which shall be found to be incomplete or not according to form, will be returned as unsatisfactory. Rejected certificates of insurance shall be corrected as necessary and resubmitted until approved.

c. Each insurance policy shall contain an endorsement stating that the insurance company will not, prior to the completion of the Tenant Work or any policy expiration date shown on the policy and certificate, whichever occurs first, terminate the policy or change any coverage therein without first mailing to the Landlord and Tenant, by registered mail, written notice of such action at least thirty (30) days prior to the termination indicated.

d. Contractor shall agree and will require each subcontractor to agree to assist in every manner possible in the reporting and investigation of any accident, and upon request, to cooperate with all interested insurance carriers in the handling of any claim by securing and giving evidence and obtaining the attendance of witnesses as required for any claim or suit.

e. Failure to secure the insurance coverages, or failure to comply fully with any of the insurance provisions of this Work Agreement, or failure to secure such endorsements on policies as may be necessary to carry out the terms and provisions of the construction contract, shall in no way act to relieve Contractor from obligations of the construction contract.

f. The Commercial General Liability policy shall name Landlord and Mortgagee, if any, as an additional insured.

g. Depending on the scope of work to be performed at the Premises, Landlord shall have the right to require increased limits or broader coverages as Landlord reasonably deems appropriate.

4. **Permits and Licenses.** Unless otherwise directed by Landlord in writing, Tenant shall procure, at Tenant's sole cost and expense, all permits and licenses deemed necessary by Landlord to undertake the Tenant Work and, upon completion of the Tenant Work, to occupy the Premises, any required certificate of occupancy.

5. **Inspection.** Landlord is authorized to make such inspections of the Premises during construction as it deems necessary or advisable.

6. **Indemnification.** Except to the extent of Landlord's negligence or willful misconduct, Tenant shall indemnify Landlord and hold it harmless from and against all claims, injury, damage or loss (including attorneys' fees) sustained by Landlord as a result of the undertaking by Tenant and the Contractor of the Tenant Work in the Premises.

7. **Tenant's Agent.** Within two (2) days following lease execution, Tenant shall designate an individual from Tenant's office to act as Tenant's agent for purposes of making all required design and cost decisions relating to the Premises and to authorize and execute any and all documents, the Commencement Date Certificate, and all work letters or other writings and changes thereto needed to effect this Work Agreement, and any and all changes, additions or deletions to the work contemplated herein, and Landlord shall have the right to rely on any documents executed by such authorized party

8. **Special Requirements Regarding Mechanical, Engineering and Plumbing ("MEP") Contractors:**

The Landlord's architect and MEP engineer shall be designated by Landlord from time to time and will be available to assist Tenant with the design of improvements and infrastructure within the Premises and to provide guidance regarding the Building, (subject to the Allowance described above). In the event MEP plans are required, all such plans shall be drafted, produced and coordinated by Landlord's MEP engineer subject to the Allowance described above).

## **EXHIBIT B**

### **CONSTRUCTION RULES AND REGULATIONS**

1. Unless otherwise directed in writing by Landlord, Landlord, will obtain permits (at Tenant's expense) prior to the start of any work subject to the terms of the Work Agreement.
2. Tenant and/or the general contractor will post the building permit on a wall of the construction site while work is being performed.
3. Public area corridors, carpet, elevator cabs and flooring are to be protected by durable runners or a series of walk-off mats in the main Building lobby, elevator and all corridors leading to the Premises under construction, as applicable and impacted by the construction activities.
4. Additional walk-off mats are to be provided at all interiors and exterior entrance doors. Elevator pads and protective floor coverings shall be used at all times to protect all other common areas impacted by the construction activities.
5. Contractors will remove their trash and debris daily after 6:00 p.m. or before 8:00 a.m. and Contractor shall not use the elevator(s) to haul any materials between 8:00 a.m. to 6:00 p.m. Monday through Friday or 9:00 a.m. to 2:00 p.m. Saturday,. Building trash containers are not to be used for construction debris. Landlord reserves the right to bill Tenant for any cost incurred to clean up debris left by the general contractor or any subcontractor. Further, the building staff is instructed to hold the driver's license of any employee of the contractor while using the freight elevator to ensure that all debris is removed from the elevator. Landlord's prior written approval must be obtained for all dumpsters.
6. No utilities (electricity, water, gas, plumbing) or services to the tenants or Building are to be cut off or interrupted without first having requested, in writing, and secured, in writing, the permission of Landlord or Landlord's Agent.
7. No electrical services are to be put on the emergency circuit, without specific written approval from Landlord.
8. When utility meters are installed, the general contractor must provide the property manager with a copy of the operating instructions for that particular meter.
9. Contractors or personnel will use the loading area designated by Landlord for all deliveries and will not use the loading area for vehicle parking.
10. Landlord is to be contacted by Tenant when work is completed for inspection. All damage to the Building will be determined at that time and all costs to repair any damage, as reasonably determined and mutually agreed between Landlord and Tenant will be deducted by the Landlord from Tenant Improvement Allowance..
11. All key access, fire alarm work, or interruption of security hours must be arranged (at least 48 hours to the scheduled work) with the Landlord's building engineer or Agent.
12. All workers are required to wear a shirt, shoes, and full length trousers.
13. Public spaces — corridors, elevators, bathrooms, lobby, etc. — must be cleaned immediately after use. Construction debris or materials found in public areas will be notified to Tenant by the Landlord and removed at Tenant's cost after 24 hours of notification.

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14. All construction materials or debris must be stored within the project confines or in an approved lock-up.
15. There will be no alcohol or controlled substances allowed or tolerated on the Property.
16. The general contractor and Tenant shall be responsible for all loss of their materials and tools and shall hold Landlord harmless for such loss and from any damages or claims resulting from the work.
17. Contractors must strictly follow all applicable laws.
18. Elevator(s) in the Building may not be used during business hours for any purpose other than normal passenger/tenant elevator use. Construction activities that create excess noise (in the Landlord's reasonable discretion) all core drilling, core x-rays, or other such disturbances shall be performed during non-building hours and shall be scheduled in writing with Landlord's Agent at least 48 hours prior to commencing any such work. Non-building hours for the purposes hereof shall mean prior to 8:00 a.m. or after 6:00 p.m. M-F and prior to 9:00 a.m. or after 2:00 p.m. on Saturdays.
19. All work shall be coordinated with the Landlord's Agent.
20. No work shall be commenced until after Landlord has approved contractor and contractor's insurance certificates approval of which shall not be withheld unreasonably.
21. All Tenant construction work shall be confined to its respective Premises. This includes all equipment, tools, materials, etc. At no time shall any tenant unload his materials, tools, etc., into any other space without written approval of Landlord.
22. Common Areas shall not be used by Tenant or by the Tenant's contractors without written approval of Landlord.
23. All Tenant's space shall be kept clean and free of hazardous conditions. Compliance with all O.S.H.A. Safety Regulations is mandatory.
24. Any dirt or debris caused by contractors outside the Premises must be promptly cleaned
25. All tools, equipment or construction materials left outside of Tenant's space or Landlord allocation storage/laydown space shall become the property of the Landlord.
26. All construction activities such as jackhammering and "shot" type mechanical fasteners which create excessive or explosive type noises shall be performed at least thirty (30) minutes prior to or after normal business hours, as established by Landlord.
27. No one, other than Landlord's approved contractor shall be on the roof or do any type of work affecting the roof unless so specified in writing from the Landlord. The cost of such work shall be borne by Tenant.
28. Tenant shall not attach or cause to be attached to any wall or structural member any equipment that may, by virtue of its size or weight, cause structural damage. Tenant shall not exceed a loading as set forth in the plans and specifications for the floor of the Center and shall not do anything that might in any way affect the structural integrity of the building.
29. Should Tenant's interior partitioning cause changes or alteration in the fire protection sprinkler system, such changes and alterations shall be made by Landlord's approved/designated contractors at Tenant's

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expense.

30. If required by any applicable statute, law, regulation and/or ordinance or if appropriate, as determined by Landlord, a smoke and/or heat detector shall be installed in Tenant's space, at Tenant's expense. The smoke and/or heat detector shall be connected to the central system if such control system is available by Landlord's contractor at Tenant's expense.



## **EXHIBIT C**

### **BUILDING RULES AND REGULATIONS**

1. No part or the whole of the sidewalks, entrances, passages, elevators, vestibules, stairways, corridors or halls of the Building shall be obstructed or encumbered by any tenant or used for any purpose other than ingress and egress to and from the space demised to such tenant.
2. No awnings or other projections shall be attached to the outside walls or windows of the Building. No curtains, blinds, shades, or screens (other than those furnished Landlord as part of Landlord's Work) shall be attached to or hung in, or used in connection with, any window or door of the Building or the space demised to any tenant. If consent is given by Landlord for any shades or draperies, the surface facing outside the Building shall be in accordance with a color scheme approved by Landlord.
3. No sign, advertisement, object, flag, numbers, notice, symbol or lettering shall be exhibited, inscribed, painting or affixed on any part of the outside or inside of the space demised to any tenant or on the Building or in any window visible from the exterior of the Building. Interior signs on doors, corridors and directory tablets, if any, shall be inscribed, painted, or affixed for each tenant by Landlord, at tenant's expense, and shall be of a size, color, and style approved by Landlord, at Landlord's sole discretion.
4. No show cases or other articles shall be put in front of or affixed to any part of the exterior of the Building, nor placed in the halls, corridors, vestibules, or other public parts of the Building without prior written consent of the Landlord. Landlord consents to Tenant placing lab specimen "pick up" boxes in the halls immediately outside the entrance to the Premises provided such boxes are properly secured and maintained and in compliance with applicable law.
5. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, rags, or other substances (including, without limitation, coffee grounds) shall be thrown therein. All damage resulting from any misuse of the plumbing fixtures shall be borne by the tenant who, or whose agents, employees, visitors, licensees, contractors or suppliers' shall have caused such damage.
6. No tenant, nor any of its agents, employees, visitors, licensees, contractors, or suppliers shall at any time bring or keep upon the Premises any inflammable, combustible or explosive fluid, chemical or substance, and tenant shall obey fire regulations and procedures governing the leased space and the Building.
7. No tenant shall mark, paper, paint, bore into, make any alterations or additions, or in any way deface any part, including equipment and fixtures, of the leased space or the Building of which it forms a part, without the prior written consent of Landlord. No wires shall be installed except in conduits, ducts or outlets established for that purpose, unless prior written consent of Landlord has been obtained. If any tenant desires to install any floor covering other than carpeting, subject to the prior consent of Landlord, such floor covering shall be installed in accordance with the manufacturer's specifications.
8. No bicycles or vehicles of any kind shall be brought into or kept in or about the leased space or the Building, with the exception of the parking areas in an area designated by Landlord. No cooking shall be done or permitted by any tenant in the leased space, without the prior written consent of the Landlord, provided, however, that the heating, refrigerating and preparing of beverages and light snacks shall be permitted if there are appropriate facilities and equipment for such purpose and subject to the prior written consent of Landlord. No tenant shall cause or permit any unusual or objectionable odors to be produced upon or emanate from the leased space.

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9. Neither the whole nor any part of the space demised to any tenant shall be used for manufacturing, for the storage of merchandise, or for the sale at auction of merchandise, goods, or property unless approved, in writing, by Landlord.

10. No tenant shall make, or permit to be made, any unseemly or disturbing noise or disturb or interfere with other tenants or occupants of the Building or neighboring buildings or leased space whether by the use of any musical instrument, radio, television set, or other audio device, unmusical noise, whistling, singing, or in any other way. Nothing shall be thrown out of any doors, windows, skylights, or down any passageways or stairs.

11. No additional locks shall be placed upon any doors or windows of the leased space, nor any changes made in the existing locks or the mechanism thereof without approval of the Landlord or Building Management and Landlord shall be provided with copies of all keys for any door(s) within the Premises with locking capability. Doors opening onto public corridors from leased space shall be kept closed during business hours and locked when the leased space is unattended. All door keys whether furnished by Landlord or otherwise procured for offices and bathrooms shall be delivered to Landlord upon termination of the tenancy, and in event the loss of any such keys, such tenant shall pay Landlord the reasonable cost of replacement keys. An additional charge by the Landlord to Tenant shall be made for all keys in excess of two for each door opening onto a public corridor from any leased space.

12. All moving of safes, freight, furniture or bulky matter of any description, to and from the leased space, shall only take place in the elevator at times during which the elevator protective padding is in place within the elevator, passageways or stairs, and during the hours designated by Landlord. There shall not be used in any space, or in the public halls of the Building, either by the tenant or by jobbers or others, in the delivery or receipt of merchandise, any hand trucks, except those equipped with rubber tires and sides guards.

13. No tenants shall use or occupy or permit any portion of the space demised to such tenant to be used or occupied as an employment bureau or for the storage, manufacture, or sale of liquor, narcotics or drugs. No tenant shall engage or pay any employees in the Building, except those actually working for such tenant in the Building, nor advertise for laborers giving an address at the Building.

14. Intentionally Deleted.

15. No tenant shall purchase or contract for waxing, rug shampooing, Venetian blind washing or interior glass washing, furniture polishing, servicing of lamps other than Building Standard lamps, removal of any garbage from any dining or eating facility, or for towel service in the leased space except from contractors, companies or persons approved by the Building Management.

16. Landlord reserves the right to control and operate the public portions of the Building and the public facilities, as well as facilities furnished for the common use of the tenants, in such manner as it deems best for the benefit of the tenants generally, including, without limitation, the right to exclude from the Building, between the hours of 6:00 p.m. and 8:00 a.m. on business days and at all hours on Saturdays, except 8:00 a.m. to 1:00 p.m., Sundays and holidays, all persons who do not identify themselves satisfactorily to Landlord. Each tenant shall be responsible for maintaining with Building Management and up-to-date list of such tenant employees and for giving reasonable advance notice to the Building Management of invites expected outside of regular business hours and tenant shall be liable to Landlord for all acts of such persons.

17. Each tenant, before closing and leaving the space demised to such tenant at any time, shall see that all doors are locked and all lights turned off.

18. No space demised of any tenant shall be used, or permitted to be used, for lodging or sleeping or for any immoral or illegal purpose.

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19. The requirements of tenants will be attended to only upon application at the office of Landlord. Building employees shall not be required to perform, and shall not be requested by any tenant to perform, any work outside of their regular duties, unless under specific instructions from the office of Landlord or the Building Management.
20. Canvassing, soliciting, and peddling in the Building are prohibited, and each tenant shall cooperate to prevent the same.
21. No animals, except for service animals, of any kind shall be brought into or kept about the Building by any tenant.
22. Employees of Landlord other than those expressly authorized are prohibited from receiving any packages or other articles delivered to the Building for any tenant and, should any such employee receive any such package or article, he or she in so doing shall be the agent of such tenant and not Landlord.
23. No tenant shall install or permit or allow installation of a television antenna or satellite dish on the roof, in the windows or upon the exterior of the leased space or the Building, without the prior written consent of the Landlord.
24. Safes and other heavy metal objects shall not be positioned or installed by any tenant until size and location are approved in writing by the Building Management.
25. No tenant shall tie in, or permit others to tie in, to the electrical or water supply on the Premises without prior written consent of the Building Management.
26. No tenant shall remove, alter or replace the Building Standard ceiling light diffusers in any portion of the leased space without the prior written consent of Landlord.
27. Office areas, lobbies, corridors and public restrooms are cleaned Monday through Friday after 5:00 PM. Cardboard boxes or items not in normal trash receptacles must be clearly identified as trash and placed in a convenient location for proper pick-up by the janitorial staff.
28. Except for purposes of emergency, notices, posters, or advertising media will not be permitted to be affixed in the elevators, elevator lobbies, main lobbies, windows, corridors or exterior of the Building without Landlord's prior written consent.
29. Landlord will furnish and install fluorescent tubes and light bulbs for the Building Standard fixtures only. For special fixtures Tenant will stock its own bulbs which will be installed by Landlord when so requested by Tenant at Tenant's expense.
30. Landlord does not maintain and repair suite finishes or fixtures which are non-standard; such as kitchens, bathrooms, wallpaper, special lights, etc. However, should the need for maintenance or repairs arise, Landlord will, upon Tenant's request, arrange for the work to be done at Tenant's expense, subject to the Alterations section of the Lease.
31. Business machines and mechanical equipment belonging to Tenant which can cause noise or vibration that may be transmitted to the structure of the Building or to any space therein to such a degree to be objectionable to Landlord or to any tenant in the Building shall be installed and maintained by Tenant, at Tenant's expense, on vibration eliminators or other devices sufficient to eliminate such noise and vibration.
32. No vending machines shall be permitted to be placed or installed in any part of the Building by any tenant

**Tenant: MEDSTAR MEDICAL GROUP II, LLC**  
**1420 Beverly Road Lease Agreement**

without the prior written consent of Landlord. Landlord reserves the right to place or install vending machines in any of the common areas of the Building.

33. Landlord reserves the right to rescind, amend, alter or waive any of the foregoing Rules and Regulations at any time when, in its judgment, it deems it necessary, desirable or proper for its best interest and for the best interests of the tenants, and no such rescission, amendment, alteration or waiver of any rule or regulation in favor of one tenant shall operate as an alteration or waiver in favor of another tenant. Landlord shall not be responsible to any tenant for the non-observance or violation by any other tenant of any of these Rules and Regulations. Notwithist

34. Tenant shall immediately notify the Building Management of any breakage, sickness, fire or disorder which comes to its attention in its Premises or any of the common areas of the Building.

35. Medical offices engaged in the practice of generating Hazardous Waste, said waste requiring special containers and or handling, shall provide for removal of same, at their cost and expense, in a manner appropriate to all legal requirements now existing or that may, in the future, be enacted.

36. Tenant shall have the right to place any boxes or containers typically used in the practice of medicine (i.e. specimen, lab analysis) in the Building corridor or on any doors to the Premises with prior written notice to Landlord.

37. Landlord's employees are prohibited as such from receiving any packages or other articles delivered to the Building for Tenant and that should any such employee receive any such packages or articles, Tenant agrees that the employee shall do so only as the agent of Tenant and not of Landlord.

38. For purposes of these Rules and Regulations the Building Management shall mean the duly designated representative of Landlord to manage the Building.

39. There shall be no smoking in the Building or on any land associated with the Building or property surrounding the Building.

**EXHIBIT D**

**COMMENCEMENT DATE CERTIFICATE**

This Commencement Date Certificate is entered into by Landlord and Tenant pursuant to Section 2.02 of the lease.

1. **DEFINITIONS.** In this certificate the following terms have the meanings given to them:

- (a) Landlord: SIP / CREF 1420 Beverly, LLC
- (b) Tenant: MEDSTAR MEDICAL GROUP II, LLC
- (c) Lease: Lease Agreement dated \_\_\_\_\_ between Landlord and Tenant.
- (d) Premises: Suite \_\_\_\_\_
- (e) Building Address: 1420 Beverly Road, McLean, VA 22101

2. **CONFIRMATION OF LEASE COMMENCEMENT:** Landlord and Tenant confirm that notwithstanding anything in the Lease to the contrary, the Lease Commencement Date is \_\_\_\_\_ and the Lease Expiration Date is \_\_\_\_\_.

Landlord and Tenant have executed this Commencement Date Certificate as of the dates set forth below.

**WITNESS:**

**LANDLORD:**

**SIP / CREF 1420 Beverly LLC**

By: SIP 1420 Beverly, LLC,  
a Maryland limited liability company,  
its Manager

By: \_\_\_\_\_ (SEAL)  
John H. Stewart, Manager

Date: \_\_\_\_\_

**WITNESS:**

**TENANT:**

**MEDSTAR MEDICAL GROUP II, LLC,**  
a Maryland limited liability company

By: \_\_\_\_\_ (SEAL)

Name: \_\_\_\_\_

Date: \_\_\_\_\_

Tenant: MEDSTAR MEDICAL GROUP II, LLC  
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## **EXHIBIT E**

### **HEALTH SYSTEM COMPETITORS/ SERVICE LINES**

#### **Health System Competitors**

- Inova
- Johns Hopkins HealthCare
- Johns Hopkins Community Physicians
- Virginia Hospital Center
- Novant
- HCA Healthcare
- Sentara Healthcare
- George Washington University Hospital
- GW Medical Faculty Associates
- Kaiser Permanente
- Adventist HealthCare
- University of Maryland Medical System
- Children's National

#### **Tier 1 Service Lines**

- Primary Care
- Urgent Care
- Neurology
- Rehabilitation

#### **Tier 2 Service Lines**

- Orthopedics
- Ambulatory Surgery Center
- Cardiology
- Gastroenterology
- Hematology/Oncology

## **EXHIBIT F**

### **SIGNAGE**

The images in this exhibit represent approximate signage location placement and size. Exact dimensions and locations shall be confirmed by Tenant's signage vendor. Yellow represents Tenant building signage with locations labeled "A" or "B" represent location options currently under consideration by Tenant, of which Tenant would select one. Red represents Tenant parking monument signage.



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The images in this exhibit represent approximate signage location placement and size. Exact dimensions and locations shall be confirmed by Tenant's signage vendor. **Yellow** represents Tenant building signage with locations labeled "A" or "B" represent location options currently under consideration by Tenant, of which Tenant would select one. **Red** represents Tenant parking monument signage.



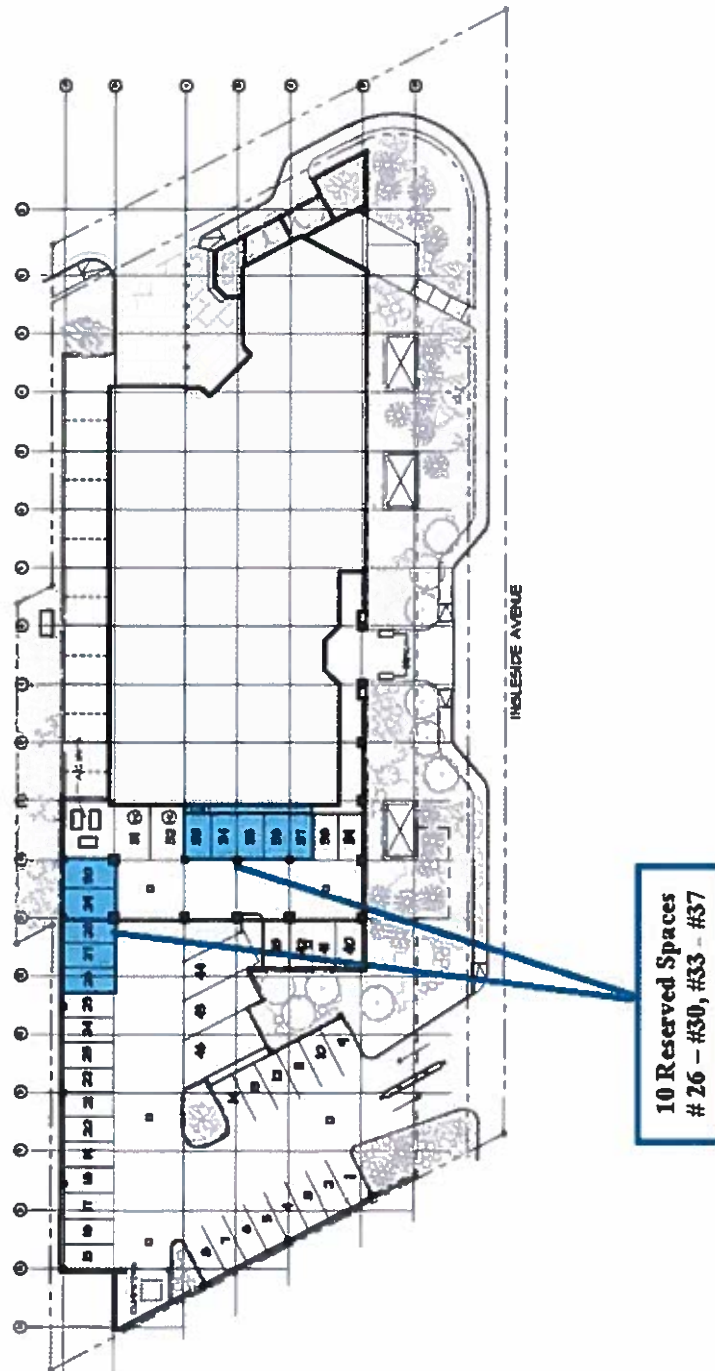
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## EXHIBIT G

### PARKING



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