



October 16, 2018

The County Board of Arlington County, Virginia
2100 Clarendon Blvd, Suite 300
Arlington, VA 22201

RE: **COURTHOUSE PLAZA – Ground Lease Re-Structure Proposal**
2100-2300 Clarendon Boulevard, Arlington VA

To whom it may concern:

On behalf of JBGS/COURTHOUSE I LLC and JBGS/COURTHOUSE II LLC collectively the “Ground Lessee”, we are pleased to present THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, the “Ground Lessor” with this proposal to re-structure the Ground Lease (as defined in the lease agreement dated January 20, 1987, as amended on September 28, 1993) encompassing 2100-2300 Clarendon Boulevard, Arlington, VA 22201.

Current Expiration Date:

The current expiration is January 31, 2062.

Re-structure Commencement Date:

The Re-structure Commencement Date shall be the first of the month immediately following the execution of this amendment.

Proposed Rental Structure:

As of the Re-structure Commencement Date the Annual Rent payable will be revised to be Three Million Five-Hundred and 0/100 Dollars (\$3,500,000), payable in monthly installments of \$291,666.67.

Annual Rent Escalation:

Commencing on the 1st anniversary of the Re-structure Commencement Date and each anniversary thereafter throughout the Lease Term, the Annual Rent shall be increased by Two percent (2.00%) over the previous year’s escalated Annual Rent.

Ground Lease Term:

The Lease Term shall be extended ninety-nine (99) years from the Re-structure Commencement Date.

Up-Front Cash Payment:

Immediately following the execution of this amendment, the Ground Lessee will provide the Ground Lessor a cash payment of Ten Million and 0/100 Dollars (\$10,000,000).



JBG SMITH

Thank you for the opportunity to make this proposal. Please call us if you have any questions or require any additional information. If the terms outlined herein are acceptable, please have the appropriate party execute this proposal and return it to us. We will immediately draft an amendment for your review and subsequent execution.

Sincerely,

JBG SMITH
agent for Ground Lessee

George Xanders
Executive Vice President

Rick Bierbower
Associate

AGREED AND ACCEPTED:

THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA

By: _____

Title: _____

Date: _____

This proposal is valid until October 31, 2018.