

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: **AUG 20 2009**

LEASE No. GS-11B-02139

THIS LEASE, made and entered into this date by and between FEDERAL CENTER OFFICE ASSOCIATES LLC

Whose address is 2101 WISCONSIN AVENUE, NW  
WASHINGTON, DC 20007

and whose interest in the property hereinafter described is that of **OWNER**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 302,946 rentable square feet (RSF) of office and related space on floors 1 through 8 including the Mezzanine, 2,108 ANSI/BOMA of storage space on the P3 Level and 17 parking spaces on Parking Level 1-3 at no additional cost to the Government, which yields 274,627 ANSI/BOMA Office Area square feet (USF) of space at Federal Center Plaza I, 500 C Street, SW, Washington, DC 20024 to be used for SUCH GENERAL OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT [PREMISES] (see attached floor plans made a part hereof).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the 10 year term beginning on August 17, 2009 and continuing through August 16, 2019 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$11,678,568.30 (\$38.55/RSF) at the rate of \$973,214.03 per month in arrears. The annual rent shall decrease by the amount of amortized Tenant Improvement Allowance of \$334,106.72 per annum (\$1,670,533.60 / 5 years), or \$27,842.23 per month after year five (5). With the exception of annual CPI adjustments as prescribed in the attached SFO dated June 22, 2009, the annual rental rate shall not increase throughout the life of the lease except as set forth in 6N below.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

FEDERAL CENTER OFFICE ASSOCIATES LLC  
2101 WISCONSIN AVENUE, NW  
WASHINGTON, DC 20007

4. The Government shall have a one time right to terminate the Lease in its entirety after eight (8) years effective August 16, 2017 by giving Lessor written notice on or before February 16, 2016.

The Government shall have the additional right to accelerate the aforementioned termination right of the Lease at 500 C Street, SW in its entirety after five (5) years effective August 16, 2014 by providing a one-time termination notice to Lessor on or before February 16, 2013, provided the Government extends the current term or signs a new lease for space currently provided under Lease No. GS-11B-01552 at 400 C Street, SW, for a firm term of six (6) years and seven (7) months, on or before December 31, 2010, at a rental rate of \$48.10 / ABOA SF, net of utilities, with a Tenant improvement allowance of \$3,451,111 (\$10.00 / ABOA SF).

Notwithstanding the foregoing, in the event the Government extends the current term or signs a new lease for space currently provided under the 400 C Lease for a firm term of 10 years on or before December 31, 2010 at a rental rate of \$48.10 / ABOA SF, net of utilities, with a tenant improvement allowance of \$3,451,111 (\$10.00 / ABOA SF) the Government shall have the right to terminate the Lease at 500 C Street, SW either; (1) effective August 16, 2014, by providing notice to Lessor on or before February 16, 2013 or, (2) effective February 16, 2016 by providing notice to Lessor on or before August 16, 2014.

5. (Intentionally deleted)

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

  
LESSOR GOVT

A. This Lease excludes all utilities for the Premises. All utilities shall be separately metered and paid for by the Government.

B. The Government agrees to accept the space and current security "as existing", and Lessor represents that such items are in good repair, providing a tenantable condition. The intent of this qualification is to recognize that the Government may find such items or conditions to be at least minimally acceptable with regard to the Government's occupancy of the space. Nonetheless, such items or conditions are to be in "good repair and tenantable condition" at the time of Lease Commencement Date or by any other specified date(s). The acceptance of the Lease Premises "as existing" does not relieve the Lessor from the obligation in the Lease to maintain and repair the building shell and life safety in compliance with the standards set forth in the Lease. Any additional LEED, Green or security requirements will be at the Government's expense.

C. The Lessor and Government will continue to cooperate to provide security control over the parking garage at the Leased Premises. The Lessor and Government acknowledge and accept the garage operating and security measures currently in place at the Leased Premises.

D. In accordance with SFO section 3.2 the total Tenant Improvement Allowance (TIA) is \$1,373,135.00 (274,627 USF x \$5.00). The TIA shall be amortized over 5 years at the rate of 8%. The total cost of TIA for the amortization period shall be \$1,670,533.60. Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. If the Government does not utilize the entire TIA included in the rent, the rent shall be adjusted downward using 8% amortization rate. The actual cost of the TIA will be determined by the competition and cost proposal process set forth in Section 5.6 of the SFO.

E. In accordance with SFO Section 3.2, fees related to the tenant improvements, including change orders to be paid out of the tenant improvement allowance shall not exceed the following amounts [REDACTED]

F. In accordance with SFO Section 4.1, the common area factor is established as 1.1031 (302,946 RSF/274,627 USF).

G. The Real Estate Tax Base will be established in accordance with Section 4.2 of the SFO.

H. In accordance with SFO Section 4.2 the Percentage of Occupancy is established as 95.4286% (302,946 RSF/317,458RSF).

I. In accordance with SFO Section 4.3, the Operating Cost Base is established as \$5.71/RSF, \$6.30/USF (\$1,729,821.66/annum).

J. In accordance with SFO Section 4.4, the adjustment is established as \$1.00/USF for vacant space (rental reduction).

K. In accordance with SFO Section 4.5, services, utilities, and maintenance shall be provided daily, extending from 7:00 a.m. to 6:00 p.m. except Saturdays, Sundays, and federal holidays.

L. In accordance with SFO Section 4.7, The overtime usage will be metered separately and billed to the Government. If the Government should request an onsite building engineer during overtime operation the cost is established as \$114.85 per hour for the entire building or any portion thereof.

M. In accordance with SFO Section 4.10, janitorial services shall be provided during tenant working hours.

N. Within three (3) months of lease award, the Lessor and GSA will negotiate and execute a Supplemental Lease Agreement which states that the Lessor, at the cost of the Government, will repair and provide preventative maintenance to Special Equipment as identified in the attachment to the SF-2 labeled "Special Equipment List". During the three (3) month period the Lessor and the Government will work together to collect and assess the cost of providing services for all Special Equipment. The Lessor also agrees to negotiate an agreement for maintenance and janitorial services for kitchens (including all fixtures and equipment) and bathrooms within the Government Occupied Space.

O. The Lessor shall not be responsible for utilities, maintenance, repair and replacement of special equipment not included on the attached special equipment list, including special storage systems, telecommunications equipment, vending facilities, audio-visual equipment, conference room equipment, emergency power systems, security equipment such as magnetometers and x-ray machines and custom blinds and drapes.

P. If any tax credit is due to the Government as a result of Lessor's appeal of the tax assessment during the lease term,

the credit to the Government will be net of the reasonable costs of the appeal.

Q. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. Commission payment shall be due to Jones Lang LaSalle upon execution of this Lease by the Government.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The rental amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment: \$973,214.03 (including \$801,292.17 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted First Month's Rent

7. The following are attached and made a part hereof:

- A. Exhibit A to SF-2 (1 page)
- B. Solicitation for Offers dated June 22, 2009 (53 pages)
- C. Amendment Number 1 (1 page)
- D. GSA Form 1364 titled "Proposal to Lease Space" (2 pages)
- E. Solicitation Attachment #1 titled Rate Structure (1 page)
- F. Solicitation Attachment #2 titled Fire Protection & Life Safety Evaluation (18 pages)
- G. GSA Form 1217 titled Lessor's Annual Cost Statement (1 page)
- H. GSA Form 3517 titled GENERAL CLAUSES (33 pages)
- I. GSA Form 3518 titled REPRESENTATIONS AND CERTIFICATIONS (7 pages)
- J. Floor Plans of Offered Space and Building Square Footage Calculation (12 pages)
- K. Pre-Lease Building Security Plan (9 pages)
- L. Small Business Subcontracting Plan (13 pages)
- M. Special Equipment List (1 page)

8. The following changes were made in this lease prior to execution:

Paragraph 5 is intentionally deleted.

9. In the event of any conflict between the specifically noted terms of this Standard Form (SF) 2 and Exhibit A to the SF2 and any other term or condition of this Lease, the terms of this SF 2 and Exhibit A to the SF 2 shall govern.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

Lessor: FEDERAL CENTER OFFICE ASSOCIATES LLC

BY: 400 C STREET, LLC

BY: FEDERAL CENTER PLAZA CORPORATION

By:

  
Stephen F. Twohig, Executive Vice President

IN PRESENCE

OF

 ADDRESS \_\_\_\_\_

UNITED STATES OF AMERICA

BY:

  
LISA RICHMOND: CONTRACTING OFFICER