

STANDARD FORM 2  
FEBRUARY 1965 EDITION  
GENERAL SERVICES ADMINISTRATION  
FPR (41CFR) 1D16.601

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: JUN 04 2010

LEASE #GS-11B-02190

THIS LEASE, is made and entered into this date between:  
Whose address is:

1717 Pennsylvania Avenue, LP  
c/o Tishman Speyer  
1875 Eye Street, NW  
Suite 300  
Washington, DC 20006

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 approximately **16,379 Rentable Square Feet (BRSF)**, being **13,220 ANSI BOMA Office Area Square Feet (BOASF)**, R/U factor of 1.2389, being the entire 11<sup>th</sup> floor in the building known as 1717 Pennsylvania Avenue, as noted on the floor plans attached to and made a part of this lease (the "Premises"), with the address being 1717 Pennsylvania Avenue, NW, Washington, DC 20006-4614, to be used for office and related purposes as determined by the Government.

2. TO HAVE AND TO HOLD the Premises with their appurtenances for the ten (10) YEAR FIRM term beginning upon acceptance of the Premises by the Government as substantially complete and ending on a date that is ten (10) years from the date of space acceptance.

3. The Government shall pay the Lessor an annual rent of \$997,713.80 (\$74.29/BOASF [\$72.54/BOASF + \$1.75/BOASF daytime cleaning premium] + \$15,600 Parking) at the rate of \$83,142.82 per month in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$202,001.60 (\$15.28/BOASF [\$13.53/BOASF + \$1.75/BOASF daytime cleaning premium]), a real estate tax base, a BID tax base, 5 unreserved parking permits at a monthly rate of \$260 per parking permit or \$15,600 annually, and \$26,440.00 to amortize a tenant improvement allowance of \$264,400.00 (\$20.00/BOASF) at zero percent (0%) annual interest. The operating cost base includes the premium for daytime cleaning. Rent checks shall be payable to 1717 Pennsylvania Avenue, LP, at the address shown above.

4. ~~The government may terminate this lease at any time by giving at least \_\_\_\_\_ days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

5. ~~This lease may be renewed at the option of the Government, for the following term and at the following rental:~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:  
EXCEPT AS SET FORTH BELOW OR ELSEWHERE IN THIS LEASE, ALL SERVICES, IMPROVEMENTS, ALTERATIONS, REPAIRS, AND UTILITIES AS DEFINED BY THIS LEASE. THIS LEASE IS FULL SERVICE.
- a) Prior to substantial completion of the leased Premises, Lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of Attachment #4, which is made a part hereof.
- b) Tenant Improvements: Upon completion of tenant improvements, if any, by Lessor and acceptance thereof by the Government, the cost of such tenant improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is less than the initial Tenant Improvement Allowance of \$20.00/BOASF, the Government shall be entitled to a credit against the monthly base rent until such credit has been exhausted. Any Tenant improvements financed by the Lessor up to \$20.00/BOASF shall be amortized at zero percent (0%) annual interest. Tenant improvements financed by the Lessor above \$20.00/BOASF up to \$49.10/BOASF shall be financed at the annual interest rate of five percent (5%). Notwithstanding any provisions of the SFO to the contrary, the Lessor shall not be obligated to provide to the Government a total tenant improvement allowance in excess of \$649,102.00 (\$49.10/BOASF) (inclusive of the \$264,400.00 [\$20.00/BOASF] referenced in Paragraph 3). Refer to paragraph 6(d) below regarding fees payable by the Government for improvements and change orders.

LESSOR MBB GOV'T

- c) The Government's percentage of occupancy for real estate tax purposes shall be 8.17%, based on 16,379 RSF / 200,451 RSF, subject to confirmation of the total rentable square footage of the building.
- d) The general contractor's total fees for overhead and profit shall not exceed 5% and the general contractor's fees for general conditions shall not exceed 4%. The Lessor's total construction management and coordination fees for the tenant improvements for the Government's space shall not exceed 2%, and architecture & engineering fees, if any, shall not exceed \$5.00/BOASF. Lessor shall provide all required architecture & engineering services as reflected in the Government's design intent drawings including any telecommunications, security or other special space. The Government shall pay for these services via the tenant improvement allowance. Further the Lessor shall be responsible for construction of all improvements as reflected in the final drawings as a condition of the Government's space acceptance and commencement of rent. The Government will pay for the tenant improvements as provided for in this lease. Any such fees will be paid for out of the T/I Allowance. The Government shall have the right to renegotiate these fees in the event that the scope of work is substantially reduced from that contemplated by the SFO.
- e) The parties hereby agree to the preliminary design and construction schedule as provided in Attachment A 'Preliminary Design and Construction Schedule'. Lessor shall be able to complete construction items during the last phase of construction (i.e., September 13 – October 1), so long as there is no substantial interference with the Government's furniture and telecommunications installation. Upon Lessor's receipt of final pricing of the construction drawings the parties will mutually agree on a detailed final schedule for delivery, with a target completion date of October 1, 2010. Attachment B 'Preliminary Design Intent Drawings' reflects the Government's preliminary design intent drawings. As part of the rental consideration, the Lessor will be responsible, as part of the warm-lit shell requirement, to provide any modifications to the warm-lit shell as necessary to accommodate the Government's final design. The Government agrees to accept portions of the warm-lit shell "as existing" in the event they do not require modification for the Government's design intent as reflected in the final construction drawings.
- f) Normal hours of operation shall be 8 am to 8 pm Monday through Friday; Saturdays, Sundays and Federal Holidays excepted; provided, however, the HVAC system will begin operation not later than 7:00 a.m. Monday through Friday. The Lessor shall cause all cleaning within the Government's demised Premises to occur between the hours of 8:30 am and 4:30 pm, Monday through Friday. The HVAC overtime rate shall be \$50/hour to include labor and engineering (stationary) service, which rate shall be subject to market increase one time per lease year upon 60 days prior written notice to the Government.
- g) The Government shall be entitled to a rent credit in the amount of \$719,234.10 (nine (9) months' free rent, excluding daytime cleaning and parking), to be applied against the first month's rent and continuing into subsequent months' rent until exhausted.
- h) Notwithstanding Section 1.12 of the SFO, the Government hereby represents and warrants that it has not entered into any agreement with, or otherwise had any dealing with, any broker, agent or finder, in connection with the negotiation or execution of this Lease which would form the basis of any claim by any such broker, agent or finder for a brokerage fee or commission, finder's fee, or any other compensation of any kind or nature.
- i) Sections 3.13, 5.7(D) and 5.22(A) (2) of the SFO are hereby deleted in their entirety.
- j) Notwithstanding Section 3.5(d) of the SFO, Lessor shall have thirty (30) calendar days to submit copies of all documents related to the valuation of the land and building for real estate taxes and other real estate tax related documents, except that the proper invoice and evidence of payment shall be submitted not later than sixty (60) calendar days after the date the tax payment is due from Lessor to the taxing authority.
- k) Notwithstanding Section 5.9 of the SFO, Public areas shall be painted every five (5) years, rather than every three (3) years.
- l) Notwithstanding Sections 6.12 and 6.13 of the SFO, the Government's right to affix security, communications equipment, and antennae or similar equipment to the roof, parapet or building envelope shall be subject to space availability, code compliance, the rights of other tenants, and prevailing rental rates for rooftop space and the Government agrees to cooperate with Lessor with respect to all aspects of such placements on the rooftop, including, without limitation, screening requirements at the Government's sole cost. Installation and use of such equipment shall be subject to receipt of all required governmental approvals and shall not interfere with the building's systems or other tenants. The Government shall pay for the removal and restoration of all such devices, if required by Lessor in writing at the time of installation. The Government may be required to enter into a standard roof space license agreement with Lessor and the Government agrees to cooperate with Lessor with respect to all aspects of telecommunications connections and access to the risers.
- m) Notwithstanding Section 7.1(b) of the SFO, Lessor shall not be responsible for the maintenance, repair or replacement of any Government-owned equipment. Furthermore, the Government shall be responsible, at the Government's sole cost and expense, for making all repairs within the Premises which are the direct result of, and result solely from, the willful misconduct of a Government employee.

- n) Notwithstanding anything to the contrary in the SFO (including, without limitation, Article 9 of the SFO) the Government's right to install upgraded security improvements, devices, or implement security measures above the Lessor's building standard is subject to the following conditions: (a) the Government shall pay for all such security measures and Lessor shall have no obligation for the same (with the exception of Section 9.31 of the SFO), (b) the Government shall be responsible for the maintenance, repair and testing of all such devices, and (c) the Government shall pay for the removal and restoration of all such devices, if required by Lessor in writing at the time of installation. Upgraded security measures shall be limited to the Premises and shall not be imposed in building common areas, except in the case of emergency situations (as described in Section 9.32 of the SFO) and shall be limited to the duration of such emergency.
- o) Notwithstanding Section 9.6 of the SFO, Lessor shall use commercially reasonable efforts to restrict building information to Lessor's employees, agents, consultants, counsel, and advisors that require such information in order to assist Lessor with conducting the normal course of business at the building or fulfilling Lessor's obligations under this Lease. Such information shall be limited to only the information necessary for the performance of any specific business task or obligation.
- p) The parties agree that the Government will accept the common areas of the Building in their existing configuration. Lessor shall continue to maintain, repair, and replace all of the elements of the common areas. To the extent that any element of the existing common areas does not meet the specifications of the SFO, the Government accepts said common areas in their existing condition; provided that, said common areas provide a level of function and performance substantially equivalent to that specified in the SFO.
- q) Notwithstanding anything to the contrary in this Lease (including, without limitation, Section 2 of Form 3517B), in the event of any assignment or subletting, the proposed assignee or subtenant shall be subject to the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed.
- r) Notwithstanding anything to the contrary in this Lease (including, without limitation, Section 6 of Form 3517B), the Government's right to substitute a different governmental tenant agency shall be limited to agencies that will not deviate from the general office and related space purposes for which the Government intends to use the Premises; are not military or police enforcement agencies where weapons may be brought into the building; do not require increased access by the general public; will not increase the security requirements to be provided by Lessor for the Premises or the building; and shall be subject to the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed. The Government shall pay any increase in costs associated with the substitution of a Government agency or agencies, if applicable.
- s) Notwithstanding anything to the contrary in this Lease (including, without limitation, Section 11 of Form 3517B), the construction schedule of Tenant Improvements (the "Schedule") shall be reasonably agreed upon by the parties and formalized in a Supplemental Lease Agreement. Should either the Government or the Lessor fail to discharge its respective responsibilities by the Schedule milestones, such shall constitute "Government Delay", "Excusable Delay" (as defined in Section 1 of Form 3517B) or "Lessor Delay", as applicable. If the Rent Commencement Date is later than it would have otherwise occurred due to Government Delay, then the Government shall pay Lessor full rent for each and every day of Government Delay, so that Lessor is in the same position it would have been had the Government Delay not occurred. Any delay by the local authority in issuing the occupancy permit due to the Government's delay in installation of furniture shall be deemed to be a Government Delay. If the Rent Commencement Date is later than it would have otherwise occurred due to "Lessor Delay", then the Government will be entitled to one additional day of free rent for each day of "Lessor Delay".
- t) Notwithstanding anything to the contrary in this Lease (including, without limitation) Section 17 of Form 3517B), in the case of partial destruction or damage to the Premises, the Government shall be reasonable in its determination of whether or not the Premises are untenantable, and whether or not such condition can be remedied by the Lessor within a reasonable amount of time, prior to exercising any termination rights.
- u) The liability of Lessor for Lessor's obligations under this Lease shall be limited to Lessor's interest in the real property of which the Premises are a part and to this Lease and the Government shall not look to any other property or assets of Lessor or the property or assets of any direct or indirect partner, member, manager, shareholder, director, officer, principal, employee or agent of Lessor (collectively, the "Parties") in seeking either to enforce Lessor's obligations under this Lease or to satisfy a judgment for Lessor's failure to perform such obligations; and none of the Parties shall be personally liable for the performance of Lessor's obligations under this Lease.

- v) The parties agree that the Government will occupy a portion of the Premises in their existing configuration. Lessor shall continue to maintain, repair, and replace, as necessary, all of the elements of the warm, lit shell to the specifications of the SFO. Notwithstanding the foregoing, to the extent that any element of the existing warm, lit shell, does not meet the specifications of the SFO and the Government accepts said existing warm, lit shell item in its existing condition, Lessor shall not be required to further modify the accepted condition; provided that, said warm, lit shell item provides a level of function and performance substantially equivalent to that specified in the SFO:
- i. 1.10 #8 – HVAC. Base building HVAC systems are accepted as-existing, however, central HVAC systems shall be the responsibility of Lessor pursuant to Section 1.10(A)(8).
  - ii. 1.10 #9 and 6.11 – Electricity. Lessor shall provide 5 watts per square foot.
  - iii. 4.11 – Windows. All building windows are accepted "as-existing", notwithstanding Section 9.31 of the SFO. In addition, the shatter resistant film shall be installed using gasket (IPP) (not adhesive (IPA)).
  - iv. 5.7 (a) – Ceilings. The current building ceiling heights are accepted "as-existing".
  - v. 5.16 – Partitions. All existing partitions that Tenant retains as a part of the final build-out will be accepted "as-existing".
  - vi. 5.21 – Acoustical requirements: The acoustical specifications for any existing conditions (e.g., partitions, ceilings, etc.) that Tenant retains as a part of the final build-out will be accepted "as-existing".
  - vii. 6.7 (A) #2 – The requirement for "key locked" thermostats is deleted.
  - viii. 6.16 – Elevators. The freight elevator is shared by all building tenants on a first-come, first-served basis. Lessor shall use commercially reasonable efforts to accommodate the Government's usage requirements; however, no notice to the Government of use by other tenants shall be required.
  - ix. Notwithstanding Sections 6.17 & 6.18 of the SFO, in the event the Government and the Government's architects accept existing lighting in a portion the Premises, then they will be accepted "as-existing" unless further changes are required by the District of Columbia which changes will be at the cost of the Lessor. To the extent that the Lessor will be responsible for providing lighting based on tenant design, it will be consistent with Sections 1.10 (A) 10, 6.17 and 6.18 of the SFO.

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

- 1. Solicitation For Offers (SFO) # 07-014, 52 pages
- 2. Attachment A – Preliminary Design and Construction Schedule, 1 page
- 3. Attachment B – Preliminary Design Intent Drawings, 2 pages
- 4. Solicitation Attachment #1, Rate Structure, 1 page
- 5. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
- 6. Solicitation Attachment #4, Fire and Life Safety Report, 12 pages
- 7. Small Business Subcontracting Plan, 13 pages
- 8. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
- 9. GSA Form 3517, General Clauses, 32 pages
- 10. GSA Form 3518, Representations and Certifications, 7 pages
- 11. Floor Plans of Leased Area, 1 pages
- 12. Rider #1- Security, 1 page
- 13. Rider #2 - Fire & Life Safety, 1 page

8. In the event of a conflict between the terms of this SF-2 and the SFO or its attachments, the terms contained in this SF-2 shall prevail.

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

OWNER: 1717 Pennsylvania Avenue, LP

BY

SIGNATURE

*Michael B. Benner*

TITLE

Michael B. Benner  
Vice President

TITLE

IN PRESENCE OF:

SIGNATURE

*Terri A. Garrett*

ADDRESS

BY

SIGNATURE UNITED STATES OF AMERICA:

BY

*Jim Smalp*

CONTRACTING OFFICER, GSA, NCR

STANDARD FORM 2

Revised 3/22/10

EXCEPTION TO SF2 APPROVED