

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

7/29/2010

LEASE No. GS-11B-02208

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

TO HAVE AND TO HOLD THIS LEASE, made and entered into this date by and between TREA 1401 H, LLC whose address is:

1209 Orange Street
Wilmington, DE 19801-1120
Attn: Joseph Flanagan

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:

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

A total of 59,309 BOMA rentable square feet (BRSF) equivalent to 52,145 ANSI/BOMA Office Area square feet (ABOASF) of office and related space at a rate of \$50.50 per BRSF and \$57.44 per ABOASF for years one (1) through three (3), \$61.42 per ABOASF or \$54.00 BRSF for years four (4) through seven (7), and \$63.69 per ABOASF or \$56.00 BRSF for years eight (8) through ten (10), which equates to an average annual rent of \$60.91 per ABOASF or \$53.55 BRSF over the course of the ten (10) year term, consisting of the entire Third (3rd) floor (28,507 BRSF or 24,863 ABOASF) and Fourth (4th) floor (30,802 BRSF or 27,282 ABOASF) of the building as detailed in Exhibit A, as well as seven (7) reserved and twenty-five (25) unreserved parking spaces for Official Government Vehicles as shown on Exhibit B, in the building known as City Center and located at 1401 H Street, NW, Washington, DC 20005.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a ten (10) year firm term commencing in accordance with Paragraph 1.9 of the Solicitation for Offers No. 9DC2101. The parties will execute a supplemental lease agreement (SLA) to memorialize the commencement and expiration dates of the lease term.
3. The Government shall pay the Lessor the annual rent of \$2,995,104.50 (\$57.44 per ABOASF or \$50.50 BRSF) at the rate of \$249,592.04 per month in arrears for years one (1) through three (3), \$3,202,686.00 (\$61.42 per ABOASF or \$54.00 BRSF) at the rate of \$266,890.50 per month in arrears for years four (4) through seven (7), and \$3,321,304.00 (\$63.69 per ABOASF or \$56.00 BRSF) at the rate of \$276,775.33 per month in arrears for years eight (8) through ten (10), which equates to an average annual rent of \$3,175,996.95 (\$60.91 per ABOASF or \$53.55 BRSF) over the course of the ten (10) year term, rent for a lesser period shall be prorated. Rent checks shall be made payable to: TREA 1401 H Street, LLC or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the rent shall be fully abated for the first five (5) months of the lease term, equivalent in value to \$1,247,960.21.
4. [Intentionally Deleted]
5. [Intentionally Deleted]
6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A) All services, improvements, alterations, repairs, and utilities as defined by this lease.
 - B) The annual rent set forth in Paragraph 3 of this Standard Form 2 includes a \$45.59 per ABOASF Tenant Improvement allowance amortized at 0.0% over the initial firm term, which amortization amount equals \$4.56 per ABOASF per year. The total amount of the Tenant Improvement allowance is \$2,377,290.55. The Government shall be entitled to utilize the Tenant Improvement allowance to pay for any improvements performed by the Lessor at the Government's expense. The Government reserves the right to convert any unused portion of the Tenant Improvement allowance to additional rental abatement and add accordingly to the amount as described in Paragraph 3 above and paragraph 6K below. Any tenant improvements above the initial allowance shall be amortized at a rate of 8.75% over the lease term.

- C) The Tenant Improvement Allowance and related construction costs shall be subject to the following fees

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schedule: (1) General Conditions fee shall not exceed six percent (6.0%); (2) General Contractor's fee shall not exceed four percent (4.0%); (3) Architectural and Engineering fees shall not exceed eight percent (8.0%) or \$3.50 per RSF, (whichever is less); and (4) Lessor's Project Management fees shall not exceed three percent (3.0%).

- D) The adjustment for vacant premises shall be \$2.25 per ABOA square foot per annum in accordance with Paragraph 4.4 of SFO No. 9DC2101.
- E) Pursuant to Paragraph 4.2 of the SFO, the Government's percentage of Occupancy is 16.915% for tax purposes, as calculated: 59,309 BRSF/350,635 BRSF. 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 Lessor's reasonable and actual out-of-pocket costs of the appeal.
- F) Pursuant to Paragraph 4.1(C) of the SFO, the "Common Area Factor" is calculated to be 1.13739, as calculated: 59,309 BRSF/52,145 ABOA.
- G) The base amount for annual operating costs adjustments is \$565,712.24, which shall be adjusted annually by the CPI in accordance with Paragraph 4.3 of SFO No. 9DC2101.
- H) Notwithstanding anything in the SFO or the attachments thereto to the contrary, the rate for overtime HVAC services shall be \$55.00 per hour. The Government should notify the Lessor during normal business hours and at least 6 hours in advance for HVAC overtime requests in order to permit the Lessor reasonable time to make appropriate arrangements. A minimum of four (4) hours of HVAC overtime shall be required for weekend requests. The overtime HVAC rate is a rate negotiated among the parties.
- I) Seven (7) reserved parking spaces and twenty-five (25) non-reserved spaces as discussed in Paragraph 1 of this Standard Form 2 shall be available for exclusive government use at a rate of \$520 per month per space and non-reserved spaces at a rate of \$260.00 per month per space under a separate agreement with the parking garage operator. Parking shall be subject to annual escalation not to exceed prevailing market rates.
- J) All janitorial services outlined in paragraph 4.8 of the SFO shall be performed during the hours of 8:00 AM – 2:00 PM, Monday - Friday, at no additional cost to the Government. Normal building hours shall be from 6:00 AM to 5:00 PM in accordance with paragraph 4.5 of the SFO.
- K) Commission and Commission Credit – The Lessor has agreed to pay a lease commission equal to [REDACTED] of years 1-10 the firm term value of this lease, payable in accordance with the SFO. The total amount of the Commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, the Government's Broker (CB Richard Ellis, Inc.) shall forego [REDACTED] of the Commission ("Commission Credit") that it is entitled to receive in connection with this lease. The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit [REDACTED] to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO, as well as the commission agreement between the Lessor and the Broker dated March 12, 2010.

The commission credit shall be added to the rental abatement in Paragraph 3 of this Standard Form 2. Therefore, the rental payments due and owing under this lease for months one (1) through six (6) shall be fully abated and the rental payment for month seven (7) shall be reduced by [REDACTED] so that the rent due for month seven (7) shall be [REDACTED] to fully recapture the Commission Credit and abated rent in Paragraph 3 above.

7. The following are attached and made a part hereof:
- A) Solicitation for Offers #9DC2101 including attachements, 58 pages;
 - B) Rider 1 – Fire and Life Safety ;
 - C) Rider No. 2 – SFO Exclusions and Clarifications ;
 - D) Exhibit A – Floor plans of leased area, 2 pages;
 - E) Exhibit B – Location of parking spaces for Government Vehicles, 1 page
 - F) GSA Form 1217, Lessor's Cost Statement, 2 pages;
 - G) GSA Form 3517B, General Clauses, 33 pages;
 - H) GSA Form 3518, Representations And Certifications, 7 pages;
 - I) Pre-Lease Building Security Plan, 11 pages;
 - J) Fire Protection & Life Safety Evaluation, 15 pages;
 - K) Certificate of Seismic Compliance, 1 page;
 - L) Small Business Subcontracting Plan, 13 pages;

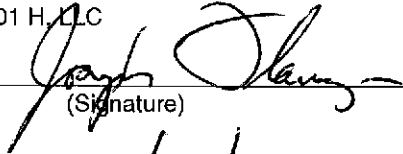
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To the extent of any disagreement between the terms of Rider No. 2 and the other provisions of this Lease, Rider No. 2 shall control. To the extent of any disagreement between this Standard Form 2 and the provisions of any other provisions of this Lease (except Rider), this Standard Form 2 shall control.

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

TREA 1401 H, LLC

By


(Signature)

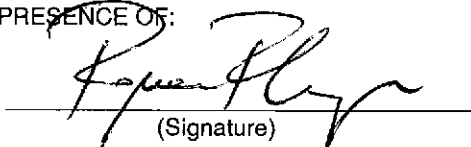
Joseph Flanagan, Assistant Secretary
(Printed Name and Title)

Date:

6/22/10

1401 H Street, NW Washington, DC 20005

IN PRESENCE OF:

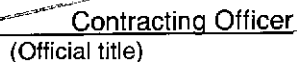

(Signature)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY


Mark Stadslev


Contracting Officer
(Official title)

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