

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE:
AUG 26 2011

LEASE No. GS-11B-02329

THIS LEASE, made and entered into this date between **National Place Lease Company, LLC**
whose address is **1001 G Street, NW, Suite 700W**
Washington, DC 20001

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 29,252 BOMA Rentable Square Feet (BRSF) (yielding 24,441 BOMA Office Area Square Feet (ABOASF)) located on a portion of the 5th floor in the North Tower (13,366 BRSF / 10,932 ABOASF) and a portion of the 14th floor in the North Tower (15,886 BRSF / 13,509 ABOASF) in the building known as National Place, located at 1331 Pennsylvania Avenue, NW, Washington, DC 20004-1710 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A – Floor plan of leased premises). The Government and/or its employees shall be entitled to the right to use up to sixteen (16) on-site parking spaces at market cost. Said cost shall be borne by the individual by contracting directly with the garage operator.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers # ODC2003 and continuing for 10 years from the commencement date and subject to termination and renewal rights as may be hereinafter set forth. The commencement date and term shall be established in accordance with the SFO and will be memorialized in a Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$1,285,625.40 (\$43.95/BRSF) at the rate of \$107,135.45 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **National Place Lease Company, LLC**, 1001 G Street, NW, Suite 700W, Washington, DC 20001 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in to be applied as follows: (a) the fully serviced rent for the first eighteen (18) months of the lease term shall be abated entirely; (b) the fully serviced rent for the last two (2) months of the lease term shall be abated entirely and; (c) a portion of the monthly shell rent shall be partially abated during the 19th through 23rd months of the lease term, as related to the agreed upon commission credit as more fully set forth in paragraph 6(D) below.

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, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included as a component of the rent.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$1,028,477.28 (\$42.08/ABOASF). 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 in accordance with SFO Paragraph 3.3 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, with the \$42.08/ABOASF being amortized at a rate of 0% over the ten-year firm Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 3.2 "Tenant Improvements Included in the Offer", and Paragraph 3.3 "Tenant Improvement Rental Adjustment."

C. The following limits on markups shall apply to all tenant improvements pertaining to the build out of the space, including change orders: Offeror's General Contractor's fee shall not exceed 6%, Lessor's overhead, profit, and project management fees shall not exceed 7%, general conditions shall not exceed 3%, and architectural/engineering cost shall not exceed 5%.

D. In accordance with Paragraph 2.4 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley, Inc. have agreed to a cooperating lease commission of [REDACTED] of the lease value for the ten (10) year firm term. The total amount of the commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. In accordance with the "Broker Commission and Commission Credit" paragraph, [REDACTED] of the Commission will be payable to Studley, Inc., as follows: (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. The commission installments shall be payable within 30 days of the receipt of an invoice to Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004. The remaining [REDACTED] which is the "Commission Credit", is to be credited to the shell rent portion of the annual rent payments due and owing to fully recapture this Commission Credit.

Notwithstanding Paragraph 3 of the Standard Form 2, in addition to the full abatement of rent payments for months one through eighteen and one-hundred and nineteen through one-hundred and twenty, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture the Commission Credit of [REDACTED]. The reduction in shell rent shall commence with the 19th month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Nineteenth (19th) Month's Rental Payment of \$107,135.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Nineteenth (19th) Month's Rent.

Twentieth (20th) Month's Rental Payment of \$107,135.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Twentieth (20th) Month's Rent.

Twenty-first (21st) Month's Rental Payment of \$107,135.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Twenty-first (21st) Month's Rent.

Twenty-second (22nd) Month's Rental Payment of \$107,135.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Twenty-second (22nd) Month's Rent

Twenty-third (23rd) Month's Rental Payment of \$107,135.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Twenty-third (23rd) Month's Rent.

E. Pursuant to Paragraph 4.1(C) of the SFO, the Common Area Factor is determined to be 1.19684, calculated as follows: 29,252 BRSF/24,441 ABOASF.

F. For purposes of Paragraphs 4.2 and 4.3 of the SFO, as of the date hereof, the Government's percentage of occupancy is 6.985% based on occupancy of 29,252 BRSF in a building of 418,776 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 shall be net of the Government's percentage of occupancy share of the reasonable costs of the appeal.

G. For purposes of Paragraph 4.4 of the SFO, as of the date hereof, the operating cost base is \$318,847.00 (\$10.90 per BRSF).

H. Pursuant to paragraph 4.5 of the SFO, the adjustment for vacant premises shall be \$1.50/ABOASF if the Government vacates the leased space during the term of the lease.

I. Pursuant to Paragraph 4.7 of the SFO, the cost of overtime HVAC service within the leased space is as follows:

The leased space is covered by HVAC zones A and B in the North Tower on the 5th floor and zones A, B and C in the North Tower on the 14th floor as detailed on the attached Exhibit B – HVAC Zones. The OTHVAC rate for the North Tower shall be \$56.00 per hour for the initial zone and \$11.00 per hour for each additional zone. Rates are not subject to any additional charges other than annual CPI adjustments. The normal hours of operation are 7:00AM to 6:00PM, Monday through Friday.

J. Pursuant to SFO paragraph 10.20, the Lessor at its expense shall provide and install Shatter Resistant Window Protection film to all windows within the occupied premises under this lease.

K. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

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

- A. Exhibit A - Floor Plans of the Leased Area, 2 pages
- B. Exhibit B – HVAC Zones, 1 page
- C. Rider #1 – Fire & Life Safety, 2 pages
- E. Solicitation For Offers # ODC2003, 54 pages
- F. Fire Protection and Life Safety Evaluation – 16 pages
- G. Pre-Lease Building Security Plan, 12 pages
- H. GSA Form 1217 – Lessor's Annual Cost Statement, 1 page
- I. GSA Form 3517B - General Clauses, 33 pages
- J. GSA Form 3518 – Representations and Certifications, 7 pages
- K. Small Business Subcontracting Plan, 15 pages

8. The following changes were made in this lease prior to its execution:
Paragraphs 4 and 5 have been deleted in their entirety.

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

Lessor: **National Place Lease Company, LLC**

By: **National Place Company, LLC**

A Delaware limited liability company.
its sole member

By: 

IN PRESENCE

OF George B. Botcher ADDRESS 1001 G STREET, NW, WASHINGTON, DC

UNITED STATES OF AMERICA

BY C. Elizabeth Spivey
CONTRACTING OFFICER