

**LEASE NO. GS-11B-12562**Standard Lease  
GSA FORM L201C (January 2012)

This Lease is made and entered into between

**KanAm 810 Seventh Street, LP c/o KanAm Grund America, LP**

("the Lessor"), whose principal place of business is 3290 Northside Parkway, Suite 840, Atlanta, GA 30327-2211, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

("the Government"), acting by and through the designated representative of the General Services Administration ("GSA"), upon the terms and conditions set forth herein.

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

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**810 7<sup>th</sup> Street, NW, Washington, DC 20001-3718**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

**LEASE TERM**

To Have and To Hold the said Premises with their appurtenances for the term, retroactively, beginning November 1, 2011, and continuing through October 31, 2021, for a period of

**10 Years Firm,**

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

**FOR THE LESSOR:**

Name: KanAm 810 Seventh Street, LP,  
a District of Columbia limited partnership

By: KanAm 810 Seventh Street Management Corporation,  
a Delaware corporation, its general partner

By: M. Gregory Moore  
Title: Vice President

Date: 12.12.12

AND

By: ANDREAS FAUNER  
Name: ANDREAS FAUNER  
Title: VICE PRESIDENT  
Date: 12-12-12

**WITNESSED BY:**

Name: Thomas Hubner  
Title: Vice President  
Date: 2012/12/12

**FOR THE GOVERNMENT:**

Joel T. Berelson  
Lease LCO  
Date: DEC 26 2012

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## SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

### 1.01 THE PREMISES (AUG 2011)

The Premises are described as follows:

**Office and Related Space:** 251,795 rentable square feet (RSF), yielding 209,865 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space based upon a common area factor of 1.1998 percent, located on the partial 2<sup>nd</sup> floor and full B1 and 3<sup>rd</sup> through 8<sup>th</sup> floors of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

### 1.02 EXPRESS APPURTENANT RIGHTS (AUG 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

A. **Parking:** The entirety of the parking garage consisting of three (3) levels of parking spaces as depicted on the plans attached hereto as Exhibit B all of which shall be structured inside spaces reserved for the exclusive use of the Government, except that Lessor shall be provided with six (6) reserved spaces for Lessor's property management office. The Government shall have the ongoing right to fully control and secure the building parking garage. The Government's parking security shall not restrict access to the six (6) additional spaces established for the Lessor's property management office. The parties acknowledge that the Government has raised the possibility of an incorrect calculation of parking rent resulting from the previous lease and the parties are reviewing the relevant information. The parties agree that any result of such investigation shall be reimbursed in an amount and manner to be determined and negotiated by the parties, all of which shall be memorialized in a subsequent Supplemental Lease Agreement.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease. Notwithstanding anything to the contrary in the Lease, the Government's right to affix security, communications equipment, and antennae or similar equipment to the roof, parapet or building envelope shall be at no additional rent to the Government, subject to code compliance, maximum load capacity, the rights of other tenants, and Lessor's consent (not to be unreasonably withheld, conditioned, or delayed). Installation and use of such equipment shall be at the Government's sole cost and expense and subject to receipt of all required governmental approvals and shall not interfere with the building's systems or other tenants.

### 1.03 RENT AND OTHER CONSIDERATION (AUG 2011)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM	
	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	\$10,608,786.95	\$42.13 <sup>3</sup>
TENANT IMPROVEMENTS RENT <sup>1</sup>	\$419,730.00	\$1.67 <sup>3</sup>
OPERATING COSTS	\$2,873,085.00	\$11.41 <sup>3</sup>
BUILDING SPECIFIC SECURITY <sup>2</sup>	\$20,143.60	\$0.08 <sup>3</sup>
TOTAL ANNUAL OFFICE RENT <sup>4</sup>	\$13,921,745.55	\$55.29
PARKING RENT <sup>5</sup>	\$1,210,860.00	N/A
TOTAL ANNUAL RENT (OFFICE AND PARKING) <sup>5</sup>	\$15,132,605.55	N/A

<sup>1</sup>The Tenant Improvement Allowance is amortized at a rate of 0 percent per annum over 10 years.

<sup>2</sup>Building Specific Security Costs are amortized at a rate of 0 percent per annum over 10 years.

<sup>3</sup>Rates may be rounded.

<sup>4</sup>The Total Annual Office Rent for the first year of the Lease shall be fully abated.

<sup>5</sup>See Subparagraph G below for increases in parking rent.

B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 209,865 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.

F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in "Paragraph 1.01, THE PREMISES" created herein;
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

G. Parking shall be provided at an annual rate of **\$1,210,860.00**. The parking rent shall escalate two percent (2%) annually beginning on November 1, 2012 and continuing on each lease year thereafter. Seven (7) of the parking spaces are provided at no additional cost to the Government.

H. The annual office rent outlined above (i.e. \$13,921,745.55) shall be fully abated for the first year of the Lease.

**1.04 BROKER COMMISSION AND COMMISSION CREDIT (AUG 2011)**

A. **CBRE, Inc.** ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. 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. Only [REDACTED] of the Commission, will be payable to **CBRE, Inc.** with the remaining [REDACTED], which is the "commission credit", to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this commission credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully this commission credit. 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:

Month 13 Rental Payment \$1,160,145.46 minus prorated commission credit of [REDACTED] equals [REDACTED] adjusted 13<sup>th</sup> Month's Rent.

**1.05 TERMINATION RIGHTS (AUG 2011) INTENTIONALLY DELETED**

**1.06 RENEWAL RIGHTS (AUG 2011) INTENTIONALLY DELETED**

**1.07 DOCUMENTS INCORPORATED BY REFERENCE (SEPT 2011)**

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	7	A
PARKING PLAN(S)	3	B
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	C
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	2	D
AGENCY-SPECIFIC REQUIREMENTS	1	E
SECURITY REQUIREMENTS	5	F
GSA FORM 3517B GENERAL CLAUSES	48	G
SECURITY UNIT PRICE LIST	2	H
FIRE PROTECTION AND LIFE SAFETY RIDER NUMBER ONE	2	I
PRE-LEASE FIRE PROTECTION AND LIFE SAFETY EVALUATION	21	J
PRE-LEASE BUILDING SECURITY PLAN	7	K
SEISMIC CERTIFICATION	2	L

**1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)**

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$20.00** per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the firm term of this Lease at an annual interest rate of 0 percent.

**1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)**

A. The Government, at its sole discretion, shall make all decisions as to the use of the TI Allowance. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA within 36 months after the Lease execution date, in exchange for

abatement against Shell Rent. Any such rental abatement shall be applied to the rental payments next due, after the abated rent and commission credit referenced in Sections 1.03 and 1.04 have been exhausted, following the Government's election to return such unused TIA.

B. The Government shall have the right to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly as abatement against Shell Rent. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining unamortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in abatement against Shell Rent. Any such rental abatement shall be applied to the rental payments next due, after the abated rent and commission credit referenced in Sections 1.03 and 1.04 have been exhausted, following the Government's election to make such lump sum payment.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the lease paragraph entitled "Acceptance of Space and Certificate of Occupancy;" or
3. Negotiate an increase in the rent. The Government may request that the additional TI (not to exceed \$15.00 per ABOA SF) be provided by the Lessor upon provision of reasonable notice and amortized at an annual rate of 8.5% over the balance of the firm lease term.

#### 1.10 TENANT IMPROVEMENT FEE SCHEDULE (AUG 2011)

For pricing TI Costs as defined herein, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT (\$ PER ABOA SF OR % OF CONSTRUCTION COSTS)	10%
ENGINEER FEES	BILLED HOURLY BY REQUIRED LABOR CATEGORY
LESSOR'S PROJECT MANAGEMENT FEE (% OF CONSTRUCTION COSTS)	5%

#### 1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 2011)

As of the lease award date, the Government's percentage of occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is **90.11** percent. The percentage of occupancy is derived by dividing the total Government space of **251,795** RSF by the total building space of **279,428** RSF.

#### 1.12 REAL ESTATE TAX BASE (JUN 2012)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease, shall be equal to the Government's pro-rata share of Real Estate Taxes and BID Taxes for Tax Year 2012 (i.e. \$1,934,500.34).

#### 1.13 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$11.41** per rentable sq. ft (**\$2,873,085.00/annum**).

#### 1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011)

In accordance with the section entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$1.41** per ABOA SF of space vacated by the Government (where the Government vacates at least 15,000 rentable square feet of contiguous office space on any floor) and by **\$2.32** per ABOA SF per floor in the event the Government vacates a full floor. The Adjustment for Vacant Premises shall take effect 30 calendar days after the date on which Lessor receives written notice from the Government requesting such reduction in rent.

#### 1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the clause titled "Overtime HVAC Usage:"

- **\$23.64** per hour per floor
- No. of floors: **8**
- **\$ 189.12** per hour for the entire Space.

#### 1.16 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the premises, such services shall be provided by the Lessor at an annual rate of **\$0** per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the building at no additional cost. Notwithstanding anything to the contrary in

the Lease, Lessor reserves the right to have any 24-hour areas submetered at Lessor's sole cost and expense and to have the Government pay for "above - standard" electricity consumption for such area(s) separately to Lessor based on the submeter readings for such Space, provided that Lessor shall continue to provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the building at no additional cost. For the purposes of this section, "above-standard" means usage (kWh) in excess of the Government's baseline usage established at the beginning of the lease term.

#### 1.17 ADDITIONAL BUILDING IMPROVEMENTS (AUG 2011)

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire Protection and Life Safety, Seismic, and Energy Efficiency) not later than 120 days after the Lease execution date or as otherwise mutually agreed to:

- A. Conference Room: Lessor shall, at Lessor's sole cost and expense, install a supplemental air conditioning unit in the ceiling of the third (3<sup>rd</sup>) floor conference room (Main Conference, Room 3102) sufficient to ensure adequate cooling.
- B. Ventilation System Gasket Repair: In the event that a ventilation system gasket fails due to deterioration (e.g., the gasket material is evident on furniture or floors), the Government shall notify the Building property manager and the gasket will be inspected and, if necessary, will be replaced within five (5) business day(s) at Lessor's sole cost and expense.
- C. [REDACTED] Lessor shall, at Lessor's sole cost and expense, install the [REDACTED] as specified in Exhibit F.
- D. Fire & Life Safety: Lessor shall, at Lessor's sole cost and expense, upgrade all sprinkler heads throughout the Building. Lessor shall reconnect, test and maintain the fire control panel in the data center such that its operation conforms to fire and life safety code. Lessor shall also perform all fire and life safety upgrades outlined in the attached Exhibit I, Fire and Life Safety Rider Number One.
- E. Lighting Retrofit: Lessor shall, at Lessor's sole cost and expense, retrofit lighting fixtures throughout the Building and install occupancy sensors or automatic light switches in the restrooms, as specified in that certain description of work from United Lighting & Supply, Inc., dated May 28, 2012. This lighting retrofit shall satisfy the Government's request for energy efficiency and conservation improvements as further described in RLP Paragraph 3.06.Q.2.
- F. [REDACTED]: Lessor shall, at Lessor's sole cost and expense, install a new [REDACTED] separating the [REDACTED] restaurant plaza from the garage. This door shall be activated by a [REDACTED]. The [REDACTED] shall be [REDACTED] and the [REDACTED] entrance. Lessor shall be responsible for the sole cost and expense of the [REDACTED], including purchase, installation, and connection to the Government's [REDACTED], as well as the cost of the [REDACTED] that will activate the [REDACTED]. The Government shall be responsible for the sole cost and expense of the [REDACTED].
- G. [REDACTED]: Lessor shall, at Lessor's sole cost and expense, install a pedestrian gate and roll-up vehicle doors at a location inside the garage gate providing [REDACTED] restaurant storeroom to prevent [REDACTED] storeroom area. [REDACTED]. Pedestrian access through the pedestrian gate in either direction shall require [REDACTED]. The specific configuration of this system shall be designed and implemented in accordance with applicable local codes. The Lessor shall also bear the cost of installing/connecting the [REDACTED] to the Government's access control system, to afford the Government control of the [REDACTED].
- H. [REDACTED] Lessor shall, at Lessor's sole cost and expense, install an independent floor control [REDACTED] in the freight elevator, as specified in that certain description of work from Kastle, dated May 30, 2012, and Schindler Elevator Corporation, dated June 5, 2012. Such [REDACTED] shall be programmed to [REDACTED] via the freight elevator to floors exclusively occupied by the Government.
- I. Wall Covering and Paint Coatings: Lessor shall, at Lessor's sole cost and expense, replace all wall coverings throughout the Premises and common areas and re-paint the Leased Premises. Throughout the term, Lessor shall maintain the same in "like-new" condition, but no cyclical repainting or wall covering replacement shall be required. Notwithstanding anything to the contrary in the Lease, public areas shall be painted once during the term. Timing of the painting and wall coverings replacement shall be at the Government's request.
- J. Carpet: Lessor shall, at Lessor's sole cost and expense, replace all carpet in the Government's demised area in accordance with Lease Section 6.12.B; provided, however, that Lessor may utilize carpet tiles rather than broadloom carpeting, unless the Government otherwise requests, subject to Lessor's reasonable consent, that the Lessor utilize broadloom carpeting in certain limited areas. The use of broadloom carpeting shall be at no additional cost to the Government. Throughout the term, Lessor shall maintain and replace the carpet as needed, but no cyclical replacement shall be required. Timing of the carpet replacement shall be at the Government's request.
- K. Power Distribution Unit in Computer Room: The Property currently provides power distribution to the Government's demised area meeting the specifications outlined in the Lease, Section 3.35. At Lessor's sole cost and expense, Lessor will upgrade or replace the existing power distribution unit in the computer room to meet the Government's specifications.
- L. Elevators: Lessor shall, at Lessor's sole cost and expense, maintain a service contract with Schindler elevator (or similarly experienced firm or company) to provide maintenance and repairs necessary so that the building elevators function in accordance with the Lease, Section 3.17.
- M. Restrooms: Lessor shall, at Lessor's sole cost and expense, verify that the Property currently meets the restroom ventilation requirements of the Lease Section 3.44. The Government accepts the current filter type, which is MERV 8 meeting ANSI/ASHRAE Standard 52.2. Lessor



shall provide additional modifications to comply with the ABAAS standards. The Lessor shall have such additional time as is reasonably necessary to complete all of the restroom work, so long as Lessor commences such work within 120 days after the Lease execution date and diligently pursues the completion of such work, subject to force majeure and Government delays. The foregoing work does not constitute "major alterations" for the purposes of Section 3.39(A).

- N. LAN Rooms: Lessor has provided operational temperature controlled exhaust fans in all LAN rooms. Lessor shall, at Lessor's sole cost and expense, review the installation of the perforated grills to make sure the LAN rooms have proper air circulation.
- O. [REDACTED] Kitchen Fire Exit: Lessor, at Lessor's sole cost and expense, shall install a [REDACTED] and/or [REDACTED] kitchen exit door in the west lobby such that the [REDACTED] conforms to local fire code.

The parties shall execute a Supplemental Lease Agreement (SLA) promptly after the above referenced work has been completed to memorialize the completion of such work; provided, however, that failure to execute said SLA shall not affect the obligations of Lessor or the Government.