

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE:  
NOV - 8 2011

LEASE No. GS-11B- 12500

THIS LEASE, made and entered into this date between **425 Eye Street NW, L.P.**  
whose address is **c/o Paramount Group, Inc.**  
**1633 Broadway, Suite 1801**  
**New York, NY 10019-6708**

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".

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

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

A total of 14,312 BOMA Rentable Square Feet (BRSF) (yielding 12,421 BOMA Office Area Square Feet (ABOASF) located on a portion of the 7th floor in the building located at 425 Eye Street, NW, Washington, DC 20001-2542 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A - Floor plan of leased premises), which space is hereinafter referred to as the "premises", and five (5) structured parking spaces for official Government vehicles. The Government shall be entitled to the right to an additional four (4) structured parking spaces at market cost.

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 # 0DC2017 (the "SFO") and continuing for 10 years from the commencement date. 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 \$629,723.34 (\$44.00/BRSF) at the rate of \$52,476.94 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **425 Eye Street NW, L.P.**, 1633 Broadway, Suite 1801, New York, NY, 10019-6708 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent to be applied as follows: (a) the fully serviced rent for the first twenty (20) months of the lease term shall be abated entirely; (b) a portion of the monthly shell rent shall be partially abated during the 21<sup>st</sup> and 22<sup>nd</sup> 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 (TIA) in the amount of \$479,202.18 (\$38.58/ABOASF). Such TIA 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 Section 3.3 "Tenant Improvement Rental Adjustment", subject to the provisions hereinafter set forth. This TIA is included in the rent, with the \$38.58/ABOASF being amortized at a rate of 0% over the ten-year firm Lease term. If the Government does not utilize the entire TIA included in the rent, then in lieu of having the right to adjust the rent downward pursuant to the provisions of SFO Section 3.3.A(1), which right is hereby waived by the Government, the Government may elect to apply any unfunded portion of the TIA against its rental obligations first coming due hereunder. 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 Section 3.2 "Tenant Improvements Included in the Offer" and Section 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 3%, Lessor's overhead, profit, and project management fees shall not exceed 3%, general conditions shall not exceed 5%, and architectural/engineering cost shall not exceed \$3.15 per ABOASF.

D. In accordance with Section 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" section, [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 (1) through twenty (20), 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 21st month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Twenty-first (21st) Month's Rental Payment of \$52,476.94 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Twenty-first (21st) Month's Rent.

Twenty-second (22nd) Month's Rental Payment of \$52,476.94 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Twenty-second (22nd) Month's Rent.

E. Pursuant to Section 4.1(C) of the SFO, the Common Area Factor is determined to be 1.15224, calculated as follows: 14,312 BRSF/12,421 ABOASF.

F. For purposes of Sections 4.2 and 4.3 of the SFO, as of the date hereof, the Government's percentage of occupancy is 3.889% based on occupancy of 14,312 BRSF in a building of 367,978 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 Section 4.4 of the SFO, as of the date hereof, the operating cost base is \$103,207.94 (\$7.21 per BRSF).

H. Pursuant to Section 4.5 of the SFO, the adjustment for vacant premises shall be \$2.20/ABOASF if the Government vacates the leased space during the term of the lease.

I. Pursuant to Section 4.7 of the SFO, the cost of overtime HVAC (OTHVAC) service within the leased space beyond the required Normal Hours of Operation, noted in Section 4.6 of 7:00 a.m. to 6:00 p.m. Monday through Friday shall be \$50.00 per hour. The foregoing OTHVAC rates shall escalate at the rate of 3% per lease year.

J. 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 Plan of the Leased Area, 1 page
- B. Solicitation For Offers # ODC2017, 52 pages
- C. Fire Protection and Life Safety Evaluation - 12 pages
- D. Pre-Lease Building Security Plan, 9 pages
- E. GSA Form 1217 - Lessor's Annual Cost Statement, 2 pages
- F. GSA Form 3517B - General Clauses, 33 pages
- G. GSA Form 3518 - Representations and Certifications, 7 pages
- H. Small Business Subcontracting Plan, 13 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: **425 Eye Street NW, L.P.**

By: PGREF I 425 GP, Inc., its general partner

By:   
Jolanta K. Bott, Vice President

IN PRESENCE  
OF 

ADDRESS 1633 Broadway, #1801, NY, NY 10019

UNITED STATES OF AMERICA

BY   
CONTRACTING OFFICER