

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: APR - 1 2011

LEASE No. GS-11B-02268

THIS LEASE, made and entered into this date between: 717 14th Street LLC
Whose address is: 1101 30th Street, NW
Suite 210
Washington, DC 20007

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 26,963 ANSI BOMA Rentable Square Feet (BRSF), being 24,572 ANSI BOMA Office Area Square Feet (BOASF), consisting of 6,236 BRSF (5,750 BOASF) on a portion of the 6th floor; 10,750 BRSF (9,647 BOASF) on the 7th floor; 9,977 BRSF (9,175 BOASF) on the 8th floor in the building located at 717 14th Street, NW, Washington, DC 20007-3200, as shown on the attached floor plans and made a part hereof.

To be used for office and related purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the five (5) YEAR FIRM term beginning on the commencement date determined in accordance with section 3.18 "Construction Schedule of Tenant Improvements" of the SFO, and ending five (5) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay the Lessor an annual rent of \$1,167,170.00 (\$47.50 / BOASF) at the rate of \$97,264.17 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$242,771.36 (\$9.88 / BOASF), base real estate taxes, \$98,288.00 to amortize a tenant improvement allowance of \$491,440.00 (\$20.00/BOASF) at zero percent (0%) annual interest. The operating cost base includes the daytime cleaning premium of \$0.70 / BOASF. Rent checks shall be payable to 717 14th Street LLC at the address shown below:

717 14th Street LLC
1101 30th Street, NW
Suite 210
Washington, DC 20007-

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

The Government shall have the right to one (1) renewal option for a [REDACTED] at an annual rent of \$ [REDACTED], payable at the rate of [REDACTED] per month in arrears in addition to accrued operating cost adjustments during the initial term. A new operating cost base will be established based on the last year of the original term. Operating expense adjustments will be made from the new operating cost base. Rent shall continue to be adjusted for operating costs escalations as provided in SFO 07-014. The Government shall continue to make annual lump sum adjustments for changes in real estate taxes as provided in SFO 07-014. The renewal option shall become effective provided notice be given in writing to the Lessor at least 180 days before the end of the original lease term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

5. 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 Government occupancy, the Lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation report prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of the report, attached hereto as Rider #1 and made a part hereof.

LESSOR  GOVT 

b) Tenant Improvements: The cost of improvements, if any, shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent (if applicable). In the event that the total cost of tenant improvements is greater or less than \$20.00/BOASF, the rent shall be adjusted accordingly. In the event that the total cost of the tenant improvements is less than \$20.00/BOASF, the rent shall be reduced accordingly. Tenant improvements financed by the Lessor above the initial \$20.00 per BOASF shall be amortized at the annual interest rate of eight percent (8%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$1,033,989.70 (\$42.08 /BOASF) in tenant improvements. Any tenant improvements funded by the Lessor in excess of this amount shall be repaid by the Government via lump sum payment.

c) The Government's percentage of occupancy for real estate tax purposes shall be 22.22%, based on 26,963 RSF / 121,443 RSF, subject to confirmation of the total rentable area of the entire building.

d) In the event that the Lessor performs tenant improvements in the leased premises at the Government's direction, the Lessor shall be entitled to fees as set forth in this paragraph. The general contractor's total fees for overhead and profit shall be 5% and the general contractor's fees for general conditions shall be 3%. The Lessor's total construction management & coordination fees for the Tenant Improvements for the Government's space shall be 4% and architecture & engineering fees, if any, shall be 10%. Any such fees will be paid for out of the T/I Allowance.

e) The HVAC overtime rate shall reflect the Lessor's actual cost of providing overtime HVAC services and shall be \$50/hour for the entire leased premises. The foregoing rate does not include the services of an engineer or other on-site staff which is not required for the provision of overtime HVAC services. In the event that an engineer or maintenance mechanic is requested by the tenant, the rate for said services shall be negotiated. If requested by the Government, the Lessor shall provide documentation, including but not limited to, an inventory of the equipment operated to provide overtime HVAC, past utility bills and other pertinent information as requested in support of the overtime HVAC rate.

f) In the event of a discrepancy between the terms of this SF-2 and Rider # 2 and the SFO and its attachments, the terms of this SF-2 and Rider #2 shall control.

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

1. Solicitation For Offers (SFO) # 07-014, 52 pages
2. Solicitation Attachment #1, Rate Structure, 1 page
3. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOMA OASF, 1 page
4. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
5. Solicitation Attachment #4, Fire and Life Safety Report, 16 pages
6. Small Business Subcontracting Plan, 13 pages
7. GSA Form 1217, Lessor's Annual Cost Statement, 2 pages
8. GSA Form 3517, General Clauses, 32 pages
9. GSA Form 3518, Representations and Certifications, 7 pages
10. Floor Plans of Leased Area, 3 pages
11. Rider #1 - Fire & Life Safety, 2 pages
12. Rider #2 - Additional Lease Provisions, 1 page
13. Rider #3 - Security Requirements, 1 page

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

LESSOR: 717 14th Street LLC

By:

By *Peter C. Minswan*
(Signature)

TITLE: Peter C. Minswan - Managing
(Printed Name and Title) in charge

DATE: 12/10/10

ADDRESS: 1101 30th St NW WASH DC
20007

IN PRESENCE OF:

[Signature]
(Signature)
UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY

[Signature]

Contracting Officer, GSA, NCR
(Official title)

LESSOR *[Signature]* GOVT *[Signature]*