

This Lease is made and entered into between

**Potomac Creek Associates, LLC**

("the Lessor"), whose principal place of business is 955 L'Enfant Plaza North SW, Suite 1208, Washington, DC 20024-2135, 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

**470/490 L'Enfant Plaza  
Washington, DC 20024-3212**

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.

To Have and To Hold the said Premises with their appurtenances for the term beginning July 1, 2011 and continuing through June 30, 2016, with a five (5) year renewal option as may be hereinafter set forth, to be used for such purposes as determined by GSA.

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: Steve Bonacci  
Title: Authorized Signatory  
Date: 3/29/12

**FOR THE GOVERNMENT:**

Tawanda Beverly  
Lease LCO  
Date: 6/22/12

**WITNESSED BY:**

A Howell  
Name: Anne Howell  
Title:  
Date: 3/29/2012

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

### 1.01 THE PREMISES (SUCCEEDING) (SEPT 2011)

Unless otherwise noted, the Government accepts the leased premises and tenant improvements in their current existing condition, with the following exceptions further outlined more thoroughly in this lease. These exceptions include, but are not limited to, security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. The Lessor shall be responsible for continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the lease paragraphs and attached General Clauses.

The Premises are described as follows:

Office and Related Space: 33,214 rentable square feet (RSF), yielding 27,194 ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of 1.22%, located on a portion of the 2<sup>nd</sup>, and 3<sup>rd</sup> floors, known as Suites 2208, 3509, 3119, 3220, and 3214 of the Building known as Washington Office Center located at 470/490 L'Enfant Plaza, S.W., Washington, DC 20024-3212, as depicted on the floor plans attached hereto as Exhibit A.

### 1.02 EXPRESS APPURTENANT RIGHTS (SEPT 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: 0 parking spaces as depicted on the plan attached hereto as Exhibit # of which 0 shall be structured inside spaces reserved for the exclusive use of the Government, 0 shall be inside parking spaces, and 0 shall be surface parking spaces.
- 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.

### 1.03 RENT AND OTHER CONSIDERATION (SUCCEEDING) (SEPT 2011)

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

	7/1/2011 to 6/30/2016	
	Annual Rent	Annual Rate/RSF
Shell Rent	\$1,237,221.50	\$37.25
Tenant Improvements rent	\$0.00	\$0.00
Operating Costs	\$357,159.79	\$10.75329
Building Specific Security	N/A	N/A
Total Annual Rent	\$1,594,381.29	\$48.00329

- B. The Government shall pay the Lessor annual rent, payable monthly in arrears, in accordance with the above rates, with the exception of the following months of occupancy during which the Lessor will waive the base rent of \$48.00/RSF in its entirety:

- C. 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.

- D. 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.

- E. 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
4. 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.

5. All services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Leased 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. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

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

A. ~~and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.~~

~~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 Rental Payment \$ minus prorated Commission Credit of \$ equals \$ adjusted Month's Rent.~~

**1.05 TERMINATION RIGHTS (SUCCEEDING) (SEP-2011)**

~~(Broker) is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is \$ and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only \$ of the Commission, will be payable to , with the remaining \$, 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~~  
B. ~~DOCUMENTS as indicated in this schedule for adjusted Monthly Rent:~~

~~Month 0 Rental Payment \$00 minus prorated Commission Credit of \$00 equals \$00 adjusted 0 Month's Rent.~~

~~Month Rental Payment \$ minus prorated Commission Credit of \$ equals \$ adjusted Month's Rent.~~

**1.06 RENEWAL RIGHTS (SEPT 2011)**

This Lease may be renewed at the option of the Government for a term of **5 YEARS** at the following rental rate(s):

	OPTION TERM, YEARS 1-5	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$1,303,649.50	\$39.25
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM YEAR 5 OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL OPERATING COST ADJUSTMENTS AND REAL ESTATE TAX ADJUSTMENTS.	

provided notice is given to the Lessor at least **180** days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

**1.07 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)		A
RIDER 1 SECURITY	1	B
RIDER 2 FIRE AND LIFE SAFETY	2	C
RIDER 3 AND ATTACHMENT A	9	D
RIDER 4 GENERAL CLAUSES	1	E
GSA FORM 3517B GENERAL CLAUSES	33	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	G
SMALL BUSINESS SUBCONTRACTING PLAN	13	H
GSA FORM 1217	2	I
FIRE PROTECTION AND LIFE SAFETY EVALUATION	29	J
Pre-Lease Security Survey(Attach. C)	19	K

#### 1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEPT 2011)

The Government shall have the right to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. 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 principal balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining firm term of the Lease.

#### 1.09 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (SEPT 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 8.406 percent. The percentage of occupancy is derived by dividing the total Government space of 33,214 rentable square feet by the total building space of 395,119 rentable square feet.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is \$1,818,454.00.

#### 1.10 OPERATING COST BASE (SEPT 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 \$10.75 per rentable sq. ft. (\$357,169.79.00/annum).

#### 1.11 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEPT 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 \$1.25 per ABOA sq. ft. for less than a full floor and \$1.56 per ABOA sq. ft. for a full floor of space vacated by the Government.

#### 1.12 HOURLY OVERTIME HVAC RATES (SEPT 2011)

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

\$150.00 per hour, per floor of the leased premises.

#### 1.13 24-HOUR HVAC REQUIREMENT (APR 2011)

#### 1.14 ADDITIONAL BUILDING IMPROVEMENTS (SEPT 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) prior to acceptance of the Space:

A. See Exhibit C "GSA Building Assessment Report (B.A.R.)" and refer to paragraph 7.01 of this lease.