

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

5/25/2010

LEASE No. GS-11B-02193

THIS LEASE, made and entered into this date by and between NewTower Trust Company Multi-Employer Property Trust whose address is:

c/o Kennedy Associates Real Estate Counsel, LP
1215 Fourth Avenue, Suite 2400
Seattle, Washington 98161-1085
Attn: Executive Vice President - Asset Management

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 consideration hereinafter mentioned, covenant and agree as follows:

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

A total of 58,143 BOMA rentable square feet (BRSF) equivalent to 51,227 ANSI/BOMA Office Area square feet (ABOA) of office and related space, consisting of a portion of the Tenth (10th) Floor (2,491 BOASF/ 2,819 BRSF), the entire Eleventh (11th) Floor (24,935 BOASF/ 28,248 BRSF) and the entire Twelfth (12th) Floor (23,801 BOASF/ 27,076 BRSF), being shown on the floor plans attached as Exhibit A and made part hereof, as well as ten (10) reserved parking spaces for Official Government Vehicles in the building known as Patriots Plaza II and located at 375 E Street, SW, Washington, DC 20024-3221.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a five (5) year firm term with one five (5) year option commencing in accordance with Solicitation for Offers No. 9DC2442. The parties will execute a supplemental lease agreement (SLA) after the commencement date to memorialize the commencement and expiration dates of the lease term.
3. The Government shall pay the Lessor the annual rent of \$2,820,222.30 (\$48.50 per BRSF) at the rate of \$235,018.53 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: NewTower Trust Company Multi-Employer Property Trust c/o Kennedy Associates Real Estate Counsel, LP, 1215 Fourth Avenue, Suite 2400, Seattle, Washington 98161-1085, or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the rent shall be fully abated for the first two (2) months of the lease term, equivalent in value to \$470,037.05. In addition, a portion of the monthly rent shall be partially abated during the third (3rd) and fourth (4th) months of the lease term, in equal monthly amounts of \$105,300.05, for a total of \$210,600.10, as more fully set forth in Paragraph 6(L) below.
4. [Intentionally Deleted]
5. 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] term at an annual rental rate of [REDACTED] payable at the rate of [REDACTED] per month in arrears, plus cumulative operating expense adjustments from the initial lease term. Such rate shall be inclusive of the original operating cost base year and base amount, and base year real estate taxes. Rent shall continue to be adjusted for operating costs escalations as provided in SFO 9DC2442. The Government shall continue to make annual lump sum adjustments for changes in real estate taxes as provided in SFO 9DC2442. 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.
6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A) All services, improvements, alterations, repairs, and utilities as defined by this lease.
 - B) The annual rent set forth in Paragraph 3 of this Standard Form 2 includes a \$42.08 per ABOA Tenant

LESSOR  GOVT 

Improvement allowance amortized at 0.0% over the initial firm term, which amortization amount equals \$8.42 per ABOA per year. The total amount of the Tenant Improvement allowance is \$2,155,632.16. The Government shall be entitled to utilize the Tenant Improvement allowance to pay for any improvements performed by the Lessor at the Government's expense.

- C) The adjustment for vacant premises shall be \$4.64 per ABOA per annum in accordance with Paragraph 4.4 of SFO No. 9DC2442.
- D) Pursuant to Paragraph 4.2 of the SFO, the Government's percentage of Occupancy is 18.08% for tax purposes, as calculated: 58,143 BRSF/ 321,502 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 will be net of the Government's percentage of occupancy share of the Lessor's reasonable and actual out-of-pocket costs of the appeal.
- E) Pursuant to Paragraph 4.1(C) of the SFO, the "Common Area Factor" is calculated to be 1.1350, as calculated: 58,143 BRSF/ 51,227 ABOA.
- F) The base amount for annual operating costs adjustments is \$399,442.41, which shall be adjusted annually by the CPI in accordance with Paragraph 4.3 of SFO No. 9DC2442. The Real Estate Tax Base shall be determined in accordance with Paragraph 4.2(B)(7) of the SFO. The first year of full assessment shall be the year in which the assessor has established a value for the building at full occupancy.
- G) Notwithstanding anything in the SFO or the attachments thereto to the contrary, the rate for overtime HVAC services shall be \$20.00 per hour per floor or any portion of a floor for the first 200 overtime hours and \$25.00 per hour per floor or any portion of a floor for any required overtime HVAC hours thereafter.
- H) Pursuant to Paragraph 1.1(B) of the SFO, the ten (10) structured, reserved parking spaces discussed in Paragraph 1 of this Standard Form 2 shall be at no additional charge to the Government. The cost for Unreserved Parking for the Government occupants shall be at the prevailing rate of \$180 per month per parking space.
- I) All janitorial services outlined in paragraph 4.8 of the SFO shall be performed during Normal Hours, at no additional cost to the Government.
- J) The Tenant Improvement Allowance will include the following fees: (1) General Conditions fee shall not exceed five percent (5%) of the Construction Costs; (2) General Contractor's fee shall not exceed two percent (2%) of the Construction Costs; (3) Architectural and Engineering fees shall not exceed \$3.63 per ABOA; and (4) There shall be no Project Management fees as Project Management is handled outside of the Tenant Improvement Allowance pursuant to Lessor's existing contract.
- K) Commission and Commission Credit – The Lessor has agreed to pay a lease commission of [REDACTED] of the firm term value of this lease, payable in accordance with the SFO. The total amount of the Commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, the Government's Broker (Studley, Inc.) shall forego [REDACTED] of the Commission ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit [REDACTED] to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO, as well as the commission agreement between the Lessor and the Broker dated February 22, 2010.

Notwithstanding Paragraph 3 of this Standard Form 2, the rental payments due and owing under this lease for months three (3) and four (4) of the lease term shall be reduced in equal amounts of [REDACTED] to fully recapture this Commission Credit. Thus the total rent due for the third (3rd) and fourth (4th) months shall be [REDACTED].

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

- A) Exhibit A - Floor plans of leased area, 3 pages;
- B) Solicitation for Offers #9DC2442, 53 pages;
- C) Pre-Lease Security Plan, 10 pages;
- D) Fire Protection & Life Safety Evaluation, 15 pages;
- E) GSA Form 1217, Lessor's Cost Statement, 1 page;
- F) GSA Form 3517B, General Clauses, 33 pages;
- G) GSA Form 3518, Representations And Certifications, 7 pages;
- H) GSA Form 1364, Proposal to Lease Space, 2 pages;
- I) Certificate of Seismic Compliance, 2 pages;
- J) Small Business Subcontracting Plan, 13 pages;
- K) Security Unit Price List, 2 pages;

8. The following changes were made in this lease prior to its execution:

Paragraph 4 of this SF2 has been deleted in its entirety.

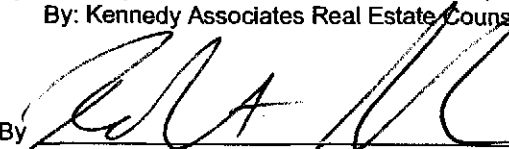
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

NewTower Trust Company Multi-Employer Property Trust

By: Kennedy Associates Real Estate Counsel, LP Authorized Signatory

By: Kennedy Associates Real Estate Counsel, GP, LLC, its General Partner

By


(Signature)


Robert Coulman, Vice President
(Printed Name and Title)

Date:

March 11th 2010

7315 Wisconsin Avenue, #350W, Bethesda, Maryland 20814

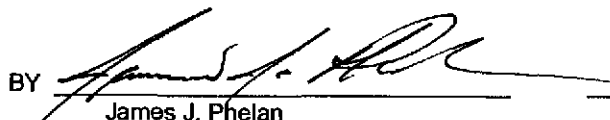
IN PRESENCE OF:


(Signature)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY


James J. Phelan

Contracting Officer
(Official title)

LESSOR

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