

DATE OF LEASE: OCTOBER 28, 2011

LEASE #GS-11B-02315

THIS LEASE, made and entered into this date between Sentinel Square I, L.L.C.

whose address is: c/o Trammell Crow Company
1055 Thomas Jefferson Street, NW, Suite 600
Washington, DC 20007-5258

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 46,803 Rentable Square Feet (RSF), being 40,225 ANSI/BOMA Office Area (ABOA) square feet consisting of the entire twelfth (12th) floor and a portion of the eleventh (11th) floor of the building known as Sentinel Square I, located at 90 K Street, NE, Washington, DC, 20002-4217 as shown on the attached Floor Plans and made a part hereof to be used for training, office, and related purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the FIVE YEAR FIRM term beginning upon acceptance of the premises by the Government as substantially complete and ending on a date that is five (5) years from the date of space acceptance, subject to renewal rights as may be set forth hereinafter. 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 an annual rent of \$2,117,835.75 (\$45.25/RSF) at the rate of \$176,486.31 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$337,613.44 (\$8.39/ABOA), base real estate taxes, and \$338,533.60 to amortize a tenant improvement allowance of \$1,692,668.00 (\$42.08/ABOA) at zero percent (0%) annual interest. Rent checks shall be payable to: Sentinel Square I, L.L.C., c/o Trammell Crow, 1055 Thomas Jefferson Street, NW, Suite 600, Washington, DC 20002-4217, or in accordance with the provision for electronic transfer of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in its entirety as indicated in GSA Form 1364 for the first four months (4) of the Lease term (inclusive of operating costs and amortization of tenant improvement allowance) in the total amount of \$705,945.25.

4. ~~The Government may terminate this lease by giving at least 180 days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

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 FIVE-YEAR TERM at an annual shell rent of \$1,687,716.18 (\$36.06/RSF), payable at the rate of \$140,643.02 per month in arrears. The operating cost base shall be recalculated for a new 12-month period at the beginning of the option term. Notwithstanding anything to the contrary, initially the operating costs in Year 6 ("Initial Year 6 Operating Expense Estimate") shall be the same amount as in Year 5. Thereafter a new operating cost base shall be established based upon actual expenses during Year 6 ("Actual Year 6 Operating Expenses"). The Lessor shall provide to the Government a statement as to the actual expenses that were incurred for both the building and the leased premises within 45 days thereafter. Upon the Government's receipt of the Actual Year 6 Operating Expenses, a reconciliation between the Initial Year 6 Operating Expense Estimate and the Actual Year 6 Operating Expenses shall be processed. In the event the reconciliation results in an underpayment between the Initial Year 6 Operating Expense Estimate and Actual Year 6 Operating Expenses, the Government shall issue the Lessor a payment. For example - Initial Year 6 Operating Expense Estimate equal \$100,000.00 and the Actual Year 6 Operating Expenses equal \$120,000.00 resulting in a \$20,000.00 payment that the Government must immediately make. In the event the reconciliation results in an overpayment between the Initial Year 6 Operating Expense Estimate and Actual Year 6 Operating Expenses, a credit will be issued on the rent. For example - Initial Year 6 Operating Expense Estimate equal \$100,000.00 and the Actual Year 6 Operating Expenses equal \$80,000.00 resulting in a \$20,000.00 credit that will be immediately issued on the rent in such amount. The Real Estate Tax Base shall be the last Real Estate Tax Base established during the base term of the Lease. The Government shall exercise its renewal option if at all by providing the Lessor with written notice of the Government's intent to exercise such option at least 365 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:

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 substantial completion of the leased premises, Lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of Attachment #4, which is made a part hereof.
- b.) Tenant Improvements: The Lessor shall provide to the Government a Tenant Improvement Allowance up to the amount of \$1,692,668.00 (\$42.08/ABOA). Such Tenant Improvement Allowance 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 Paragraph 3.3 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, with the \$42.08/ABOA being amortized at a rate of 0% over the 5-year firm lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. Upon completion of tenant improvements by Lessor and acceptance thereof by the Government, the cost of such tenant improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. Any additional tenant improvements requested by the Government above the Tenant Improvement Allowance of \$42.08/ABOA shall be paid lump sum by the Government upon total completion and acceptance of the space. Refer to paragraph 6(e) below regarding maximum fees payable by the Government for improvements and change orders.
- c.) Lessor has provided an accelerated schedule (at no added costs) for the design, construction and delivery of space as set forth in the SFO. The schedule is attached as Solicitation Attachment #3. Both parties hereto agree that this schedule shall commence within five (5) work days of the date upon which the Government executes the Lease. Should either the Government or the Lessor fail to discharge their responsibilities as defined within the time allocated under the agreed upon schedule, then such failure shall constitute "delay." Delay caused by either party may be offset by the early completion of that party's other responsibilities within the schedule. The absolute value of the number of days of one party's delay minus the number of days of the other party's delays shall equal the total number of days of delay for a given stage of the schedule. Delay in substantial completion shall be attributable to the party having caused the greatest number of days of delay and shall be termed either "Government Delay" or "Lessor Delay" as appropriate.
- d.) The Government's percentage of occupancy for real estate tax purposes shall be 11.34%, based upon 46,803 RSF/412,661 RSF.
- e.) The general contractor's total fees for overhead and profit shall not exceed [REDACTED] and the general contractor's fees for general conditions shall not exceed [REDACTED]. The Lessor's total project management fees for the tenant improvements for the Government's space shall not exceed [REDACTED] and the architectural & engineering fees, if any, shall not exceed [REDACTED] per ABOA. Any such fees will be paid for out of the Tenant Improvement Allowance.

- f.) The HVAC overtime rate shall not exceed \$40.00 per hour per floor for the first 200 hours and \$50.00 per hour per floor thereafter.
- g.) Pursuant to Paragraph 4.4 "Adjustment for Vacant Premises". Should the Government fail to occupy or vacates the leased premises prior to expiration of the term of the Lease, the rental rate will be reduced by \$4.64/ABOA.
- h.) Parking is not required for this space. Should the Government require parking, the cost is an additional [REDACTED] per space per month for non-reserved and [REDACTED] per space per month for reserved which shall be entered into a separate parking agreement with the Government's tenant.
- i.) Lessor shall grant the Government the right and ability to fully control access to the building and parking garage. The Government shall facilitate with the building's parking contractor.
- j.) Lessor shall incorporate into the Lease the energy cost incurred by all heating, ventilation and air-conditioning (HVAC) systems during Normal Hours, including supplemental HVAC. All supplemental units shall be separately metered and all costs of such supplemental units and electricity outside of Normal Hours shall be paid for directly by the Government.
- k.) Daytime cleaning is not required for this space pursuant to Paragraph 4.10 "Janitorial Services". Should the Government require daytime cleaning, the cost is an additional [REDACTED] /ABOA, which shall be added to the annual rent and the Operating Cost Base.
- l.) Pursuant to Paragraph 4.1(c) "Common Area Factor", the Add-On Factor is determined to be 1.1635 as calculated: 46,803 RSF/40,225 ABOA.
7. The Government shall have the right to install any supplemental equipment, such as air handlers, plus up to two dish-type antenna(s) to the building's roof, parapet, or building envelope at no additional rent. The location of the antenna(s) shall be determined by the Government, subject to the consent of the Lessor, which shall not be unreasonably withheld, delayed or conditioned. The costs of installation, maintenance, repair, replacement, operation and use of the antenna(s) shall be borne by the Government and all work shall be performed in conformance with applicable codes. The Government, upon 24 hours' advance written notice to the Lessor (except in case of emergency), shall have access to the rooftop 24 hours per day, 7 days per week, in order to install, maintain, repair, replace, operate and use said antenna(s). The Government's installation, maintenance, repair, replacement, operation and use of the antenna(s) may not interfere with any antennas, including applicable equipment, existing at the installation of the antenna(s), including equipment. The Lessor shall ensure that any future installation of antennas, including applicable equipment, by other users on the building, does not interfere with the Government's antenna(s). In the event the Government exercises this right, the parties shall execute a Supplemental Lease Agreement (SLA) detailing additional terms and conditions of this installation.
8. In accordance with Paragraphs 3.7 "Green Lease Submittals" and 8.3 "Energy Efficiency and Conservation", 90 K Street, NE, Washington, DC is considered a "new construction" facility. A Statement of Projected Energy Performance has been prepared by the Lessor's engineering company (B&A Consulting Engineers) indicating an Energy Star benchmark rating of 94. Should an award be made to 90 K Street, NE, the building must achieve an Energy Star label within 18 months of occupancy by the Government.
9. The horizontal exiting requirements of IBC 1025 shall be permitted to be used in lieu of the requirements of NFPA 101. All other exiting and egress features within the space shall follow the requirements of NFPA 101 (see attached DHS Test Fit at 90 K Memo [dated 9-22-11] from GSA's Safety Environmental and Fire Protection Branch).
10. Throughout the term of this Lease, the Government shall grant access 24 hours a day/7 days a week in the leased premises' fire egress hallway (known as the "11th Floor Fire Egress Hallway") to the general public, tenants of the building and the Lessor. The 11th Floor Fire Egress Hallway abuts the Southern portion of the 11th floor's elevator lobby and runs between the 11th floor's main restrooms and the Stair C next to Mechanical 2 area (see attached 11th Floor Plan).
- The 11th Floor Fire Egress Hallway shall not be obstructed (such as placement of mailing packages of the delivered mail; recycling debris for pick-up; and tenant doors not opening up into the pathway of the 11th Floor Fire Egress Hallway) by the Lessor and/or any of the tenants in the building. The Lessor shall ensure daily during normal hours that the 11th Floor Fire Egress Hallway is not being obstructed.
11. The Government shall not be held liable for any damage or injury associated with the use of the access for the Lessor and any tenants or persons in the building, including any of the Lessor's/building tenant's visitors, vendors and employees.
12. In the event of a conflict between the terms of this SF-2 and the SFO or its attachments, the terms contained in this SF-2 shall prevail.

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

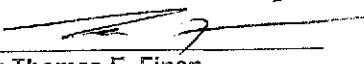
1. Floor Plans of Leased Premises of the 11th and 12th Floors, 2 pages
2. Solicitation For Offers #DVA2226-I; 55 pages
3. Rider #1 - Pre-Lease Security Report + [REDACTED] Pre-Lease Security Assessment, 22 pages
4. Solicitation Attachment #1, Rate Structure, 3 pages
5. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOMA OUSF, 1 page
6. Solicitation Attachment #3, Schedule for Design, Construction, and Delivery of Space, 1 page
7. Solicitation Attachment #4, Fire and Life Safety Report + PRE-LEASE SURVEY, 7/6/10 [dated 6-21-11] Memo from GSA's Safety Environment and Fire Protection Branch + DHS Test Fit at 90K E-Mail [dated 9-22-11] from GSA's Safety Environmental and Fire Protection Branch + Certificate of Seismic Compliance, 19 pages
8. Small Business Subcontracting Plan, 15 pages
9. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
10. GSA Form 3517, General Clauses, 33 pages
11. GSA Form 3518, Representations and Certifications, 8 pages
12. Program Of Requirements (POR), 1 page
13. Unit Costs for Adjustment, 1 page

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

OWNER: Sentinel Square I, L.L.C.,
a Delaware limited liability company

By: TC 90 K Street LLC,
a Delaware limited liability company, managing member

By: TC Midatlantic Development III, Inc.,
a Delaware corporation, its sole member

By: 
Name: Thomas E. Finan
Title: Senior Vice President

IN PRESENCE

OF _____ ADDRESS _____ UNITED
STATES OF AMERICA

BY 

CONTRACTING OFFICER, GSA, NCR, PBS

STANDARD FORM 2
FEBRUARY 1965 EDITION

EXCEPTION TO SF2 APPROVED

LESSOR

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