

**LEASE NO. GS-11P-LDC00280**

Global Lease  
GSA FORM L100 (03/2016)

This Lease is made and entered into between

Potomac Center CF LLC

(Lessor), whose principal place of business is 550 12<sup>th</sup> Street, SW, Washington, DC 20024-6121 and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witneseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

550 12<sup>th</sup> Street, SW, Washington, DC 20202-0005

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 be used for such purposes as determined by GSA.

**LEASE TERM**

To Have and To Hold the said Premises with its appurtenances for the term beginning upon April 26, 2017 and continuing for a period of

FIFTEEN (15) Years Firm [REDACTED]

Subject to renewal rights as may be hereinafter set forth. The commencement date of this Lease shall be April 26, 2017. Any applicable termination and renewal rights set forth herein may be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

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:

[REDACTED]  
Name: CAIN KIRK  
Title: VICE PRESIDENT  
Entity Name: Potomac Center CF, LLC  
Date: 11/15/2017

FOR THE GOVERNMENT:

[REDACTED]  
Name: Kevin M. Terry  
Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service  
Date: NOV 21 2017

WITNESSED FOR THE LESSOR BY:

[REDACTED]  
Name: Tara L. Hall  
Title: Administrative Assistant  
Date: 11/15/2017

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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

**1.01 THE PREMISES (SEP 2015)**

The Premises are described as follows:

A. Office and Related Space: 86,000 rentable square feet (RSF), yielding 78,593 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> floor(s) and known as Suite(s) 350, of the Building, as depicted on the floor plans attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) is established as 9.42 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

C. As Existing. Notwithstanding anything to the contrary in this Lease, the Government (which has been occupying the Premises pursuant to a prior lease with Lessor) accepts the Premises and the Property in their existing condition as of the Lease Award Date; provided, however, that the foregoing shall not (i) alter Lessor's obligation to perform tenant improvements and building shell work at the Government's election as set forth in this Lease or (ii) alter Lessor's ongoing obligations with respect to maintenance and repair of the Premises and Property as set forth in this Lease. All tenant improvements or building shell work required by the Government hereunder shall be funded out of the Tenant Improvement Allowance, BSAC, Cash Allowance or Supplemental Cash Allowance (or otherwise at the Government's sole cost and expense), all as more specifically set forth in this Lease (including in Section 7.03 with respect to the Cash Allowance).

**1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: ZERO (0) parking spaces reserved for the exclusive use of the Government. The Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property. Throughout the term of the Lease and any extension thereof, the Government shall have a continuous first (1<sup>st</sup>) right to its pro rata share of available on-site parking at prevailing market rates. Lessor shall notify the Government of any available parking spaces before leasing the spaces to third parties. The Government shall have five (5) business days to lease any such offered parking space, at which time Lessor is free to lease said parking spaces to third parties.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease. The use and access to these areas are provided to the Government as part of the rental consideration at no additional cost. There shall be no charge to the Government for access, control, or use of the Building roof.

**1.03 RENT AND OTHER CONSIDERATION (SEP 2015)**

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

	FIRM TERM
	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$ 2,574,138.38
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$ 244,895.80
OPERATING COSTS <sup>3</sup>	\$ 1,039,582.15
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	\$ 183,383.67
PARKING	N/A
<b>TOTAL ANNUAL RENT</b>	<b>\$ 4,042,000.00</b>

<sup>1</sup>Shell rent calculation:

(Firm Term) \$29.93 (rounded) per RSF multiplied by 86,000 RSF

<sup>2</sup>Tenant Improvements of \$2.85 (rounded) are amortized at a rate of 0 percent per annum over 15 years.

<sup>3</sup>Operating Costs rent calculation: \$12.09 (rounded) per RSF multiplied by 86,000 RSF

<sup>4</sup>Building Specific Amortized Capital (BSAC) of \$2.13 (rounded) are amortized at a rate of 0 percent per annum over 15 years

B. In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

C. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 78,593 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

D. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. For the avoidance of doubt, (i) April 26, 2017 is the rent commencement date (ii) Lessor will repay to Government any and all rental payments made by Government under expired Lease LDC01653 following the Lease Expiration Date (April 25, 2017) of Lease LDC01653 up to and including the date that this Lease LDC00280 is executed. This payment shall be made to the Government as Free Rent. The Free Rent provided as a repayment of holdover rents shall be utilized following the 20 Months of Free Rent identified in Section 1.03 J. of this Lease. The number of months/days to be abated shall be determined by the Government within 90 days of Lease Award.

F. 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.

G. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered and active in SAM.

H. 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 the paragraph entitled "The Premises."
2. Subject to Section 1.01 C, 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 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.

I. INTENTIONALLY DELETED

J. In accordance with the Lease negotiations, the Lessor has offered Free Rent to the Government for the first TWENTY (20) months of the Lease term. Therefore, the first TWENTY (20) months of the Lease term shall be provided at no cost to the Government. For avoidance of doubt, the first TWENTY (20) months of the Lease term begin on April 26, 2017, the rent commencement date.

#### 1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015)

A. JONES LANG LASALLE AMERICAS, INC. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. 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. Only [REDACTED] of the Commission will be payable to JONES LANG LASALLE AMERICAS, INC. with the remaining [REDACTED], 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 and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. 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 as indicated in this schedule for adjusted Monthly Rent:

Month 21 Rental Payment \$336,833.33 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 21<sup>st</sup> Month's Rent.\*

Month 22 Rental Payment \$336,833.33 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 22<sup>nd</sup> Month's Rent.\*

Month 23 Rental Payment \$336,833.33 minus prorated Commission Credit [REDACTED] equals [REDACTED] adjusted 23<sup>rd</sup> Month's Rent.\*  
\* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

#### 1.05 ~~TERMINATION RIGHTS (AUG 2014)~~ - INTENTIONALLY DELETED

#### 1.06 RENEWAL RIGHTS (SEP 2013)

This Lease may be renewed at the option of the Government for a term to be determined at the sole discretion of the Government, up to a maximum period of [REDACTED] at the following rental rate(s):

	OPTION TERM, YEARS: [REDACTED]	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	[REDACTED]	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least two hundred seventy (270) 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 full force and effect during any renewal term.

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2015)**

The following documents are attached to and made part of the Lease.

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLANS	3	A
[REDACTED] NATIONAL SPACE DESIGN STANDARDS	12	B
FACILITY SECURITY LEVEL II REQUIREMENTS	8	C
SUPPLEMENTAL HVAC	1	D
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	2	E
GSA FORM 3517B, GENERAL CLAUSES	15	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	13	G
SMALL BUSINESS SUBCONTRACTING PLAN	22	H
CAPITAL IMPROVEMENT PLAN	2	I
STATEMENT OF WORK	7	J

**1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)**

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$46.74 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent.

B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA and the Government shall convert any unutilized portion of the Tenant Improvement Allowance into Free Rent.

C. The Government may elect to make lump sum payments for any or all work covered by the TIA. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in converting any unutilized portion of the TIA into Free Rent.

D. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent at an amortization rate to be mutually agreed upon between the Lessor and the Government.

**1.09 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)**

For pricing TI costs, rates shall not exceed the following for the initial build-out of the Space and subsequent improvements throughout the Lease Term and any extensions thereof.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (% OF TI CONSTRUCTION COSTS)	5%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	4%
GENERAL CONTRACTOR FEE (% OF TI CONSTRUCTION COSTS)	5%
GENERAL CONDITIONS FEE (% OF TI CONSTRUCTION COSTS)	5%

All Tenant Improvement work and services performed by Lessor or its representatives throughout the Lease term are subject to the competitive bid process outlined in Paragraph 4.03 of the Lease and shall not exceed the following: markup and fees for tenant alteration hard construction costs, and any other services contracted for through Lessor, inclusive of Lessor's Profit and Overhead and General Contractor's Profit and Overhead, shall not exceed an aggregate total of 15%. Permits and General Conditions shall not be subject to any markup or fees, nor for Change Orders, but only to the extent they result in a net increase to construction costs. Equitable adjustments for deleted work shall include credits for overhead and profit. No additional markup and fees are permissible to the Profit and Overhead portion of any first tier subcontractor charges by either the General Contractor and/or Lessor. All third party invoices on contracts for which the Government contracts directly, rather than through Lessor, for which the Government requests payment from the tenant allowance shall not be subject to the above stated markup and fees, but rather charged a flat \$200.00 service fee per invoice.

**1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)**

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$35.00 per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 0 percent.

**1.11 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)**

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government shall have the option to convert any unutilized portion of the BSAC into Free Rent.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease. Alternatively, the Government shall have the option to convert any unutilized portion of the BSAC into Free Rent.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements,
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph, or
3. Negotiate an increase in the rent at an amortization rate to be mutually agreed upon between the Lessor and the Government.

**1.12 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 20.13 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 86,000 RSF by the total Building space of 427,245 RSF.

**1.13 REAL ESTATE TAX BASE (SEP 2013)**

The Real Estate Tax Base is defined in the "Real Estate Tax Adjustment" paragraph of the Lease. Tax adjustments shall not occur until the tax year following lease commencement has passed.

**1.14 OPERATING COST BASE (SEP 2013)**

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$12.09 (rounded) per RSF (\$1,039,582.15/annum).

**1.15 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)**

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the Premises that can be clearly demised 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 \$1.75 per ABOA SF of Space vacated by the Government. Failure of the parties to notify and/or adjust the rate in a timely manner shall not be deemed a waiver of said right. The Government and Lessor shall make a good faith effort to establish a fair and reasonable adjustment retroactively.

**1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)**

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

- \$50.00 per hour per floor
- No. of floors: 3
- Minimum of FOUR (4) hours

The Government shall have the right to further negotiate overtime costs if required for extended periods.

**1.17 24-HOUR HVAC REQUIREMENT (SEP 2014) INTENTIONALLY DELETED**

1.18 ~~BUILDING IMPROVEMENTS (MAR 2016)~~ INTENTIONALLY DELETED

1.19 ~~HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)~~ INTENTIONALLY DELETED