

LEASE NO. GS-11B-12554

Standard Lease
GSA FORM L201C (January 2012)

This Lease is made and entered into between

Bond Building Limited Partnership

("the Lessor"), whose principal place of business is c/o Lehman Brothers, 1271 Avenue of the Americas, New York, NY 10020-1300, 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

1400 New York Avenue, NW, Washington, DC 20005

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking as more fully described in Exhibit B and other areas as set forth herein.

LEASE TERM

To Have and To Hold the said Premises with their appurtenances for the Firm Term beginning September 1, 2014 and continuing through August 31, 2029,

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA in accordance with all laws, ordinances and governmental rules applicable to 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:

Name: **Bond Building Limited Partnership**

BY: 1400 New York Avenue GP, L.L.C, its general partner

BY: 1400 New York Avenue Holdings, L.P.,
its sole member

BY: Bond Buildi

BY:

Title:

Date:

11/1/12

Authorized Signatory

WITNESSED BY

Name:

Title:

Date:

Judith LeKocque
Exec. Admin 11/1/12

FOR

Joel

Lease Contracting Officer

Date:

NOV 20 2012

LESSOR:

GOVERNMENT:

GSA FORM L201C (January 2012)

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (AUG 2011)

The Government accepts the Premises and tenant improvements in their current existing condition, notwithstanding other provisions of this Lease, with only the following exceptions: Security Attachment, Exhibit M, Schedule for Fire Protection and Life Safety requirements, Exhibit L, Renovation Plan, Exhibit N, Section 1.16 of the Lease (ADDITIONAL BUILDING IMPROVEMENTS), as well as any modifications to the Premises to achieve compliance with all ABAAS, Energy Independence and Security Act, Fire Protection and Life Safety requirements or any applicable local codes and ordinances. Modifications to the Premises for additional tenant improvements shall meet the requirements of the Lease. Notwithstanding the acceptance of the Premises in their current condition, commencing with the execution date of the Lease and continuing thereafter throughout the remainder of the Lease term, Lessor shall, at its expense, maintain and repair (or replace, if necessary) such items or conditions that relate to the Building Shell so that they are in good repair and tenable condition and as otherwise required by the Lease. If any replacement of building systems shall become necessary during the term of this Lease, such replacement shall meet the performance requirements of the Lease.

The Premises are described as follows:

Office and Related Space: 168,496 Rentable Square Feet (RSF), yielding approximately 157,047 ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of 1.0729 %, consisting of the entirety of 12 floors of the Building, and 2 floors below grade, as depicted on the floor plans and BOMA Global Summary attached hereto as Exhibit A and floor plans attached hereto as Exhibit B. The Government and the Lessor stipulate to the rentable square feet and acknowledge that storage space as noted on Exhibit A throughout the Building is included in the 168,496 RSF.

1.02 EXPRESS APPURTENANT RIGHTS (AUG 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: The entirety of the parking garage consisting of 2 levels of parking spaces and approximately 77 spaces as depicted on the plans attached hereto as Exhibit B, all of which shall be structured inside spaces reserved for the exclusive use of the Government. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

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. The Government's use of the roof for such equipment shall be subject to Lessor's reasonable approval (such as if the proposed use would cause a violation of Lessor's roof warranty), and to any laws applicable to the Government.

1.03 RENT AND OTHER CONSIDERATION (AUG 2011)

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

| | 09/01/2014 - 08/31/2029 | |
|---|------------------------------|-----------------|
| | Annual Rent | Annual Rate/RSF |
| Shell Rent | \$ 6,816,708.33 | \$ 40.4562 |
| Tenant Improvements rent ¹ | \$ 280,826.67 | \$ 1.6633 |
| Operating Costs ² | \$ 1,116,645.00 | \$ 6.6271306 |
| Building Specific Security ³ | \$ 0.00 | \$ 0.00 |
| Total Annual Office Rent ⁴ | \$ 8,214,180.00 | \$ 48.75 |
| Parking Rent | \$ 430,000.00 ⁵ | Entire Garage |
| Total Annual Rent (Office and Parking) | \$ 8,644,180.00 ⁵ | N/A |

¹The Tenant Improvement Allowance is amortized at a rate of 0 percent per annum over 15 years.

²Operating costs are net of electricity.

³Building Specific Security Costs are amortized at a rate of 0 percent per annum over 15 years.

⁴Rates may be rounded.

⁵See Subparagraph F below for increases in parking rent.

B. 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.

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 modifications to the Premises in accordance with this Lease as set forth in Paragraph 1.01 and 1.16, 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, except as specifically set forth otherwise herein;

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities (with the exclusion of electricity), 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. The Government shall be responsible for paying the cost of electricity directly to the utility provider. The Lessor shall ensure that such utilities are separately metered.

F. Parking consisting of the entire garage on 2 levels as shown on Exhibit B shall be provided at an annual of \$430,000.00 annually, paid monthly in arrears. The parking rent shall increase 2.5% on September 1, 2015, and shall increase 2.5% annually thereafter on September 1st of each subsequent year of the Lease.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEPT 2011)

A. Studley, 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 terms of the Commission Agreement signed between the two parties dated April 9, 2012. Only [REDACTED] of the Commission, will be payable to Studley, Inc. with the remaining [REDACTED], which is the "Commission Credit", to be credited against 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 full 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 full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment of \$684,515.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.

Month 2 Rental Payment of \$684,515.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.

1.05 TERMINATION RIGHTS (SUCCEEDING) (SEP 2011) (INTENTIONALLY DELETED)

1.06 RENEWAL RIGHTS (SEPT 2011) (INTENTIONALLY DELETED)

1.07 DOCUMENTS 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) AND GLOBAL BOMA SUMMARY | 15 | A |
| PARKING PLAN(S) | 2 | B |
| GSA FORM 3517B GENERAL CLAUSES | 33 | C |
| GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS | 7 | D |
| SMALL BUSINESS SUBCONTRACTING PLAN | 12 | E |
| SEISMIC CERTIFICATE | 5 | F |
| ENERGY STAR ENHANCEMENTS | 1 | G |
| GSA FORM 1217 | 2 | H |
| PRE-LEASE BUILDING SECURITY PLAN | 12 | I |
| LIST OF STANDALONE AND SUPPLEMENTAL HVAC UNITS | 1 | J |
| SCHEDULE FOR FIRE LIFE-SAFETY COMPLIANCE | 1 | K |
| SECURITY ATTACHMENT | 3 | L |
| RENOVATION PLAN | 5 | M |

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$25.00 per RSF or \$4,212,400.00. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent. Any unused TIA at the end of the third year of the Lease shall be returned to the Government by a credit against the rent next due.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. 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 in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. 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. Any unused portion of the TIA of Paragraph 1.08 shall remain available for use by the Government at any time during the term of the Lease. Lessor agrees to provide period notification to the Government of the remaining amount of TIA, but not less than once a year. 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. Lessor shall have no obligation to fund or perform work with respect to TIs in excess of the TIA of Paragraph 1.08 unless the Government agrees to pay for the work in accordance with terms to be mutually agreed to by the parties.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (AUG 2011)

For pricing TI Costs as defined herein, the following rates shall apply if the initial build-out of the Space or subsequent individual project is less than \$1,000,000 then:

| | INITIAL BUILD-OUT OR SUBSEQUENT INDIVIDUAL PROJECT |
|--|--|
| ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF CONSTRUCTION COSTS) | 7% |
| LESSOR'S PROJECT MANAGEMENT FEE (% OF CONSTRUCTION COSTS) | 4% |
| GENERAL CONTRACTORS OVERHEAD AND PROFIT | 4% |
| GENERAL CONDITIONS | 9% |

For pricing TI Costs as defined herein, the following rates shall apply if the initial build-out of the Space or subsequent individual project is \$1,000,000 or more then:

| | INITIAL BUILD-OUT OR SUBSEQUENT INDIVIDUAL PROJECT |
|--|--|
| ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF CONSTRUCTION COSTS) | 6% |
| LESSOR'S PROJECT MANAGEMENT FEE (% OF CONSTRUCTION COSTS) | 3% |
| GENERAL CONTRACTORS OVERHEAD AND PROFIT | 4% |
| GENERAL CONDITIONS | 8% |

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 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 97.88 percent. The percentage of occupancy is derived by dividing the total Government space of 168,496 RSF by the total building space of 172,146 RSF.

1.12 OPERATING COST BASE (AUG 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, net of electricity, shall be \$6.6271306 per RSF (or \$1,116,645.00).

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011)

In accordance with the section entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates prior to expiration of the term of the Lease, the entirety of any floor that it leases, or, in the case of a partial floor, that portion of the partial floor that it leases, the operating costs

paid by the Government as part of the rent shall be reduced by \$1.25 per ABOA SF of space vacated by the Government. Space shall not be considered vacant for purposes of this provision if it is regularly used or continuously accessed by the Government

1.14 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

The rate for hourly overtime HVAC, which includes all charges, including any required engineer time, except electricity is \$40.00 per hour for the entire Premises or \$4.00 per hour per floor, whichever is less. The minimum number of hours for overtime usage is four (4). The overtime rate will be adjusted annual in accordance with Paragraph 2.08.

1.15 24-HOUR HVAC REQUIREMENT (APR 2011)

So long as the Government is responsible for the payment of the cost of electricity to the Building, there shall be no charge for 24-hour HVAC in the locations served by the units listed in Exhibit J.

1.16 ADDITIONAL BUILDING IMPROVEMENTS (AUG 2011)

In addition to construction of the TIs 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) by December 31, 2014, except as noted below or in Exhibit M:

- A. The Fire Protection and Life Safety requirements on Exhibit K.
- B. Lessor shall complete a modernization of the Building as set forth in subparagraph C below, and in the manner and timing as set forth in Exhibit M of the Lease, except as otherwise specifically agreed to by the parties in writing. Design and construction of the of modernization shall commence immediately upon the Lease Award Date and will be completed by December 31, 2014 (except for the heat pump replacement project which shall follow the schedule set forth below).
- C. The Lessor shall provide and install at the Lessor's sole expense, the following improvements which shall meet the requirements of the Lease as set forth herein:
 - 1. Complete replacement of all light fixtures with new energy efficient fixtures and light control sensors throughout the Premises.
 - 2. Complete replacement of all ceiling tiles located within the Premises (existing ceiling heights to remain).
 - 3. Cosmetic upgrades to lighting and ceiling within all upper-floor elevator lobby areas.
 - 4. The replacement of the cooling tower
 - 5. The replacement of all perimeter heat pump units within five (5) years of the Lease Term Commencement Date. The Lessor will retain stock of five (5) heat pump units at all times during the heat pump replacement project.
 - 6. The renovation of all Building restrooms.
- D. Lessor will inspect and repair the water fountains in the Building to ensure their functionality.
- E. Lessor shall complete the water infiltration remediation project.

