

This Lease is made and entered into between

VNO Courthouse II LLC

(Lessor), whose principal place of business is 2345 Crystal Drive, Suite 1100, Arlington, VA 22202-4801 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.

Witnesseth: 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

Arlington Courthouse Plaza II, 2300 Clarendon Boulevard, Arlington, VA 22201-3348

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

10 Years Firm,

To Have and To Hold the said Premises with its appurtenances for the term beginning August 1, 2017 and continuing through July 31, 2027,

subject to termination rights as may be hereinafter set forth.

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

FOR THE GOVERNMENT:

Name: Mitchell N. Sch...

Name: James Joiner

Title: Authorized Signatory

Title: Lease Contracting Officer

Entity Name: VNO Courthouse II LLC

General Services Administration, Public Buildings Service

Date: 8/8/16

Date: 12/22/16

WITNESSED FOR THE LESSOR BY:

Name: Emily CastHebery

Title: Manager

Date: 8/8/16

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.

LESSOR: [Signature] GOVERNMENT: [Signature]

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

- A. **Office and Related Space:** 16,522 rentable square feet (RSF), yielding 13,892 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on a portion of the 5th floor, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. **Common Area Factor:** The Common Area Factor (CAF) is established as 18.93 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.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013) – MODIFIED IN SECTION 7

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:** 2 reserved parking spaces reserved for the exclusive use of the Government, shall be structured/inside parking spaces. 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:** (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.

1.03 RENT AND OTHER CONSIDERATION (AAP VARIATION (APR 2015))

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

	FIRM TERM ANNUAL RENT	FIRM TERM ANNUAL RENT/RSF
SHELL RENT ¹	\$554,985.40	\$33.590691
TENANT IMPROVEMENTS RENT ²	\$27,784.00	\$1.681637
OPERATING COSTS ³	\$130,168.04	\$7.878467
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$8,335.20	\$504491
TOTAL ANNUAL RENT	\$721,272.64	\$43.655286
PARKING⁵	\$8,040.00	\$0.486624
TOTAL ANNUAL RENT WITH PARKING	\$729,312.64	\$44.141910

¹Shell rent calculation:
(Firm Term) \$39.95 per ABOA SF multiplied by 13,892 ABOA SF (rounded rentable rate is \$33.590691 per RSF)

²N/A

³Operating Costs rent calculation: \$9.37 per ABOA SF multiplied by 13,892 ABOA SF (rounded rentable rate is \$7.878467 per RSF)

⁴Building Specific Amortized Capital calculations: \$.60 per ABOA SF multiplied by 13,892 ABOA SF (rounded rentable rate is \$.504491 per RSF)

⁵Parking costs for two reserved parking spaces described under sub-paragraph I below

- 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 13,892 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. 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.




F. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

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. 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. Parking shall be provided at a rate of \$167.50 per parking permit per month (non-reserved structured/inside), and \$335.00 per parking space per month (reserved structured/inside).

J. The Government shall be entitled to free rent in the amount of \$980,930.79, to be applied against the monthly fully serviced rental payment until exhausted. The free rent shall commence with the first month of the Lease and continue until the free rent has been fully recaptured in equal monthly installments over the shortest time practicable

1.04 INTENTIONALLY DELETED

1.05 TERMINATION RIGHTS (AUG-2014)-INTENTIONALLY DELETED

~~The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 120 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.~~

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (AAP VARIATION (APR 2015))

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
SECURITY REQUIREMENTS – LEVEL I	4	B
GSA FORM 3517B GENERAL CLAUSES	46	C
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	D
SMALL BUSINESS SUBCONTRACTING PLAN	10	E
SOLICITATION ATTACHMENT #1 – RATE STRUCTURE	1	F
SOLICITATION ATTACHMENT #2 – CONSTRUCTION SCHEDULE	1	G
PRE-LEASE FIRE PROTECTION AND LIFE SAFETY EVALUATION	15	H
FIRE PROTECTION LIFE SAFETY RIDER #1	2	I
GSA FORM 1217	1	J
SECURITY RIDER #2	1	K

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$20.00 per ABOA SF, equating to \$277,840.00. 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. The tenant improvement allowance is available solely for tenant improvements required by the Government for occupancy of the existing user. Upon completion of improvements in the Leased Premises by the Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a subsequent Lease Amendment (LA). The Government reserves the right to 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 which shall be memorialized by LA. Commencement of rent hereunder shall not be contingent upon the completion of any Tenant Improvements or any other work required to be completed pursuant to this Lease.

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

C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA 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 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 a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

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.

1.09 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$4.83
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	10.00%

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$6.00 per ABOA SF, equating to \$83,352.00. 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 may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

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.

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.

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 5.932155 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 16,522 RSF by the total Building space of 278,516 RSF.

1.13 INTENTIONALLY DELETED

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 \$7.878467 per RSF (\$130,168.04/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 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 \$1.00 per ABOA SF of Space vacated by the Government.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$ 34.61 per hour for the entire Space.

1.17 INTENTIONALLY DELETED

1.18 BUILDING IMPROVEMENTS (SEP 2012)

- A. Fire & Life Safety: Lessor shall, at Lessor's sole cost and expense, perform all fire and life safety upgrades outlined in the attached Exhibit I, Fire and Life Safety Rider Number One within 120 working days of the Lessor and the Government's mutual execution of the Lease.

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

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.