

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE **APR 23 2010**

LEASE No. **GS-11B-02169**

THIS LEASE, made and entered into this date by and between **POTOMAC YARD HOLDING COMPANY LLC**, whose address is:

c/o J.P. Morgan Investment Management, Inc.
245 Park Avenue
2nd Floor
New York, New York 10167

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 83,017 BOMA rentable square feet (BRSF) equivalent to 70,628 ANSI/BOMA Office Area square feet (BOASF) of office and related space, consisting of 17,693 BRSF (15,109 BOASF) on the eighth (8th) floor, 33,770 BRSF (28,839 BOASF) on the tenth (10th) floor, and 31,554 BRSF (26,680 BOASF) on the eleventh (11th) floor in the building located at 2733 Crystal Drive, Arlington, VA 22202, as well as contracts for four (4) structured, reserved parking spaces in an area of the building's parking garage acceptable to the Government for Official Government Vehicles.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a ten (10) year firm term beginning on the commencement date determined in accordance with Paragraph 5.13 of Solicitation for Offers No. 8VA2206 (SFO). The parties will execute a supplemental lease agreement (SLA) after the commencement date to memorialize the commencement and expiration dates of the lease term. The lease is subject to renewal and termination rights hereinafter set forth.
3. The Government shall pay the Lessor the annual rent of \$2,754,492.00 (\$33.18 per BRSF or \$39.00 per BOASF) at the rate of \$229,541.00 per month in arrears. Rent for a lesser period shall be prorated. The annual rent shall be subject to operating expense and real estate tax adjustments during the lease term as per the SFO. Rent checks shall be made payable to: Potomac Yard Holding Company LLC c/o B [REDACTED], Account [REDACTED], Routing [REDACTED], by [REDACTED]. Notwithstanding the foregoing, the rent shall be fully abated for the first eight (8) months of the lease term, equivalent in value to \$1,836,328.00.
4. 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 Paragraph 2.5 of the SFO, the Government's Broker (CB Richard Ellis, 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 to the Broker totaling [REDACTED], in accordance with Paragraph 2.5 of the SFO, as well as the agreement between the Lessor and the Broker dated September 25, 2009.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease for months nine (9) and ten (10) of the lease term shall be reduced as follows to fully recapture the Commission Credit of [REDACTED]. The credit for the ninth (9th) month shall be [REDACTED], and thus the total rent due for the ninth (9th) month shall be [REDACTED]. The credit for the tenth (10th) month shall be [REDACTED], thus the total rent due for the tenth (10th) month shall be [REDACTED].

5. This lease may be renewed at the option of the Government for a period of ten (10) years, to be exercised at the Government's discretion. In accordance with Paragraph 1.3 of the SFO, the Government shall exercise such option by giving Lessor written notice at least 180 days prior to the expiration date of the initial ten (10) year lease term. The Government shall pay rent during the renewal term attributable to the initial leased premises in the amount of \$3,306,802.96 per annum (\$39.83 per BRSF/ \$46.82 per BOASF) payable at the monthly rate of \$275,566.91 in arrears, plus accumulated operating expense adjustments and real estate taxes escalations from the initial firm term. Rent during the renewal period shall continue to be adjusted for operating cost escalations and the Government shall continue to pay real estate tax adjustments as provided in this lease. All other terms and conditions of this lease shall remain the same during any renewal term.

LESSOR [Signature] GOVT [Signature]

The Government may elect to terminate the lease in whole effective at any time after the eighteenth (18th) anniversary of the lease commencement date without penalty. In accordance with Paragraph 1.3 of the SFO, the Government shall exercise such option by giving Lessor written notice at least 360 days prior to the termination date. The Government shall timely execute SLA for the termination, representing full and final payment with the Offeror prior to the end of the termination of the Lease, subject to the reconciliation of any real estate tax obligations accruing under the lease prior to the termination date. The Government's termination option is penalty free and shall not accrue rental obligations or liquidated damages as a result thereof on or after the effective date of such termination.

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) In the event the Government vacates any portion of the leased premises, the rent for such space shall be adjusted downward by \$1.65 per BOASF following proper notice from the Government in accordance with Paragraph 4.4 of the SFO.
- C) The annual rent set forth in Paragraph 3 of this Standard Form 2 shall include a \$42.08 per BOASF (\$35.80 per BRSF) Tenant Improvement allowance amortized at 0.0% over the initial firm term equaling \$4.21 per BOASF (\$3.58 per BRSF) per year. The total amount of the Tenant Improvement allowance is \$2,972,026.24. The Government reserves the right to convert any unused portion of the Tenant Improvement allowance to additional rental abatement and add accordingly to the amount contained in Paragraph 3. Architectural and engineering fees associated with the Government's Tenant Improvements: (1) to the extent attributable to the leased premises on the 8th floor; as well as (2) in the event the cost of the Tenant Improvements exceeds \$42.08 per BOASF on the 10th and 11th floors, then any increase in such fees, as reasonably determined by Lessor, over the fees payable in the event the cost of the Tenant Improvements had been \$42.08 per BOASF, shall be paid out of the Tenant Improvement Allowance.

All work must be completed by the Lessor in accordance with the design and construction schedule in Paragraph 5.13 of the SFO. Each day of delay by the Government in inspecting or responding to requests for review or approval in accordance with the timeframes set forth in Paragraph 5.13 of the SFO shall reduce the rental abatement granted by the Lessor pursuant to Section 4 of this lease by 6,429.11 (i.e. base rent net of the base amount for annual operating costs on a per diem basis). In addition, no delay by the Government shall serve to extend the date the Government's beneficial occupancy of the leased premises could have been achieved by Lessor but for such delay by the Government. Lessor shall promptly notify the contracting officer of any alleged delay by the Government during the construction of the Tenant Improvements.

- D) Pursuant to Paragraph 4.2 of the SFO, the Government's Percentage of Occupancy is 27.08% for tax purposes, as calculated: 83,017 BRSF/ 306,543 BRSF. The Tax Year for purposes of Paragraph 4.2 of the SFO shall be the first 12 months following the lease commencement date, and the Real Estate Tax Base shall be the Unadjusted Real Estate Taxes for the first 12 months following the lease commencement date. In the event the building is not fully leased, the Lessor shall, if reasonably necessary, gross up the Unadjusted Real Estate Taxes to reflect that the building is fully assessed for real estate tax purposes. The Unadjusted Real Estate Taxes shall include any assessments, charges and taxes imposed by virtue of the building's location within a Business Improvement District, special improvement district or other specifically defined geographical area (BID).
- E) Pursuant to Paragraph 4.1 of the SFO, the "Common Area Factor" is calculated to be 1.1754 as calculated: 83,017 BRSF/ 70,628 BOASF. Notwithstanding the foregoing, adjustments to financial obligations as a result of a final measurement of space will be on the basis of the annual price per ANSI/BOMA Office Area square feet (BOASF).
- F) The base amount for annual operating costs adjustments is \$439,862.00 (\$5.30 per BRSF/\$6.23 per BOASF), which shall be adjusted annually by the CPI in accordance with Paragraph 4.3 of the SFO.
- G) Notwithstanding anything in the SFO or the attachments thereto to the contrary, the rate for overtime HVAC services shall be \$45.00 per floor per hour. The Government reserves the right to have the Lessor provide documentation to confirm that the overtime HVAC rate reflects the actual costs incurred by the Lessor in providing such service. Paragraph 4.6E of the SFO is modified by deleting "120" therein and inserting "180" in lieu thereof.

- H) Pursuant to Paragraph 1.1(B) of the SFO, contracts for the four (4) 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 contracts for the Government occupants shall be at the prevailing market rates charged by the garage operator, which shall be subject to increase from time to time.
- I) All janitorial services outlined in Paragraph 4.8 of the SFO shall be performed during Normal Hours as defined in Paragraph 4.5 of the SFO, at no additional cost to the Government.
- J) Pursuant to Paragraph 1.7 of the SFO, Metrobus 9S currently serves the building and meets the Government's requirements for shuttle service. The building participates in the Full Access Solutions for Transportation in Potomac Yard (FAST) which provides economic incentives to all building employees utilizing public transportation serving the building, including Metro service. In the event that the current bus schedule and/or route is altered or discontinued such that similar bus service is not available within 250 walkable linear feet from the building, the Lessor, at its sole cost, shall provide an equivalent level of service in accordance with Paragraph 1.7 of the SFO.
- K) The Lessor, at its sole cost, shall complete all of the correction items on Rider Number One prior to Lease Commencement.
7. Pursuant to Paragraph 1.2A. of the SFO, the Lessor shall use commercially reasonable efforts to provide space at the building (which may be located in the building's parking areas, the roof of the building or elsewhere) for the Government to install at its sole cost a backup generator serving the leased premises. The installation, design, manner of installation and operation of such generator shall be subject to Lessor's prior written approval, as well as the approval of all applicable Arlington County governmental bodies required for the installation and operation of such generator. The Government and the Lessor shall execute an SLA reflecting the terms and conditions of such installation within thirty days (or as soon thereafter as practicable) after Lessor receives notice of the Government's intent to install a backup generator. Pursuant to Paragraph 1.2C of the SFO, Lessor shall at Lessor's sole cost, maintain as necessary (but not replace) all supplemental HVAC units required by the Government. The cost of the replacement of any such supplemental HVAC units shall be at the Government's expense.
8. Pursuant to Paragraph 1.0F of the SFO, the Government shall have the non-exclusive right to install, at its sole cost and expense, a satellite dish or whip-style antenna on the roof of the building, subject to Lessor's reasonable approval and the approval of all applicable Arlington County governmental bodies. The Government and the Lessor shall execute an SLA reflecting the terms and conditions of such installation within thirty days (or as soon thereafter as practicable) after Lessor receives notice of the Government's intent to install rooftop equipment.
9. Pursuant to Paragraph 7.12A of the SFO, the Lessor shall not be required to repaint demised tenant spaces during the last year of the firm term or renewal term of the lease unless the Government has exercised its renewal rights with respect to the leased premises.
10. Paragraph 11.2A of the SFO is hereby modified by deleting "15%" therein and inserting "10%" in lieu thereof.
11. The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease. Any such substitution shall be subject to the prior written consent of the Lessor, which consent shall not be unreasonably withheld, conditioned or delayed. The Government shall pay any increase in costs associated with the substitution of a Government agency or agencies, if applicable.
12. If there is any conflict between this SF-2 and the balance of the lease, the terms specified in this SF-2 shall govern.
13. All notices sent to Lessor shall be sent to:

J.P. Morgan Investment Management, Inc.
245 Park Avenue
2nd Floor
New York, New York 10167
Attention: Tara A. Andrews

LESSOR DA GOVT HW

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

- A) Exhibit A - Floor plans of leased area, 3 pages;
- B) Solicitation for Offers No. 8VA2206, 64 pages;
- C) Rider Number One, Fire Protection & Life Safety, 1 page;
- D) Rider Number Two, Additional Tenant Improvements, 1 page;
- E) Pre-Lease Security Plan, 10 pages;
- F) Fire Protection & Life Safety Evaluation, 13 pages;
- G) GSA Form 1217, Lessor's Cost Statement, 3 pages;
- H) GSA Form 3517B, General Clauses, 33 pages;
- I) GSA Form 3518, Representations And Certifications, 7 pages

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

By: Potomac Yard Holding Company LLC

By: Potomac Yard Acquisition Company, LLC, its sole member

BY 

245 Park Ave NY NY 10167
(Address)

Date: 12/7/09

IN PRESENCE OF 

245 Park Ave NY NY 10167
(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY 

Contracting Officer _____
(Official title)