

3/18/11

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

3/18/2011

LEASE No. GS-11B-02258

THIS LEASE, made and entered into this date between **BOSTON PROPERTIES LIMITED PARTNERSHIP,**

whose address is: **c/o Boston Properties
505 9th St., NW, Suite 800
Washington, DC 20004**

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 57,321 BOMA Rentable Square Feet (BRSF) yielding 51,589 BOMA Office Area Square Feet (BOASF) consisting of 26,050 BRSF of office and related space and 31,271 BRSF of warehouse and related space, together with 210 surface parking spaces, which together comprise the entirety of the building and parking located at 7374 Boston Boulevard, Springfield, VA 22153.

To be used for office, warehouse, and related purposes as determined by the Government. (See Attachment #2 – Floor Plans of Leased Premises).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a TEN (10) YEAR firm term commencing on April 1, 2011 and ending on March 31, 2021, subject to the renewal option set forth in Paragraph 5 below.

3. The Government shall pay the Lessor annual rent of \$917,136.00 at the rate of \$76,428.00 per month in arrears (\$16.00/BRSF; \$17.77743/BOASF). Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Boston Properties Limited Partnership c/o Boston Properties, 505 9th St., NW, Suite 800, Washington, DC 20004, or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, a portion of the monthly shell rent shall be partially abated during the first three (3) months of the lease term in the total amount of \$141,697.50, as more fully set forth in paragraph 6.E below.

4. Intentionally Deleted

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 [redacted] at an annual rental rate of [redacted] payable at the rate of [redacted] per month in arrears. Annual rental adjustments for increases and decreases in operating costs and real estate taxes shall continue to be made during the renewal term in accordance with the SFO and the original base amounts for operating costs and real estate taxes. The renewal option shall become effective provided notice be given in writing to the Lessor at least 270 days before the end of the original lease term or within the additional time period for providing such renewal notice as set forth below. Said notice shall be computed commencing with the day after the date of mailing. In the event that the Government fails to provide written notice to the Lessor in a timely fashion as provided above, Lessor shall within a reasonable time provide written notice to the Government that no such renewal notice from the Government was received by Lessor and the Government shall have ten (10) business days after receipt of Lessor's notice to the Government to deliver to Lessor written notice exercising the renewal right. No additional notice shall be provided by Lessor should the Government not deliver the written renewal notice within this ten (10) business day period. All other terms and conditions of this Lease shall remain the same during the renewal term.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

- A) Common Area Maintenance (CAM), snow removal, landscaping, and repair and maintenance of the building shell structure, systems, components, and appurtenant areas. (See Paragraph 6.K below with respect to HVAC Systems). The annual rent does not include the cost of utilities (electricity, gas, water/sewer), janitorial and recycling services, or dumpster services, which shall be paid directly by the tenant agency separate and apart from the rent due under this Lease.
- B) Except as otherwise set forth in this Paragraph 6.B, the Government hereby accepts the existing tenant improvements and building shell in their existing condition. Lessor represents that such building shell is in good repair and tenantable condition as of the execution date of this lease. The intent of this qualification is to recognize that the Government may find such items or conditions to be at least minimally acceptable with regard to the Government's continued occupancy of the space. Nonetheless, such items or conditions are to be in "good repair and tenantable condition" at the time of the lease commencement. Notwithstanding the foregoing, Lessor shall, at its expense:
- (1) Provide and install warehouse heating units as necessary to maintain the interior of the warehouse spaces at a minimum of 55 degrees Fahrenheit with all doors closed in accordance with SFO Paragraph 5.4(a);
 - (2) Ensure that thermostats shall be secured from manual operation by key or locked cage and provide keys to the GSA Field Office Manager in accordance with SFO Paragraph 5.5(a)(2);
 - (3) Provide, install, and maintain air filters having minimum efficiency ratings as required by ANSI/ASHRAE Standard 52.2 and SFO Paragraph 5.6(a)(2);
 - (4) Ensure that toilet rooms are properly exhausted, with a minimum of 10 air changes per hour, as required by SFO Paragraph 5.6(a)(3);
 - (5) Ensure that exterior lighting in parking areas, vehicle driveways, pedestrian walkways, and building perimeter meet the requirements of SFO Paragraph 5.15(a)(1)(c);
 - (6) Ensure that air handling units can be shut down in response to a threat and that a notification procedure is in place as required by SFO Paragraph 9.24;
 - (7) Ensure that all overhead roll up loading dock doors are equipped with electric motor operated opening and closing mechanisms as required by SFO Paragraph 3.13(b)(1);
 - (8) Provide cyclical repainting of public areas and of the office space portion of the Government's leased premises as required by SFO Paragraph 4.17(A)(2)-(3), except that the Government shall be responsible for moving and returning furnishings within the Government's leased premises (as necessary) at its sole cost and expense;
 - (9) Lessor shall ensure and provide as necessary, at Lessor's expense, all Fire and Life Safety improvements required by the SFO, and ensure that the building meets all local and national codes, including NFPA 101. Lessor shall provide all Fire and Life Safety improvements and corrections identified in Rider #1 hereto within 120 calendar days following lease execution. Notwithstanding the foregoing, the Lessor shall not be required to alter or relocate the Government's storage racks or their contents, and any Fire and Life Safety modifications, and costs therefor, required under applicable codes as a result of the Government's "high-piled storage" use in the warehouse area shall be the responsibility of the Government. The Government may use TI dollars to pay for any modifications; and
 - (10) Maintain and repair (or replace, if necessary) such items or conditions that relate to the building shell so that they remain in "good repair and tenantable condition" throughout the term of this lease and as otherwise required by SFO Paragraph 6.3 "Maintenance and Testing of Systems". Further, if any replacement of building systems shall become necessary during the term of this Lease, such replacement shall meet the performance requirements of the SFO and shall be no less than equal in quality and function to the existing.

Lessor shall complete the foregoing work in accordance with SFO requirements and, except as otherwise provided herein, within 180 calendar days following lease execution.

- C) The rental rate set forth in Paragraph 3 above includes a Tenant Improvement Allowance (TIA) in the amount of \$361,123 (\$7/BOASF). The foregoing TIA consists of \$302,945, which has been amortized over the ten (10) year firm term at a rate of 0% and \$58,178, which has been amortized over the ten (10) year firm term at a rate of 8.5%. Such TIA 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. If the Government does not utilize the entire TIA included in the rent, the rent shall be adjusted downward using the applicable amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the tenant

improvements as substantially complete that finalizes the rent using the final TIA utilized. The actual cost of the tenant improvements will be determined by the competition and cost proposal process as set forth in the SFO Paragraph 8.2 "Tenant Improvement Rental Adjustment" and Paragraph 8.4 "Tenant Improvements Pricing Requirements," with the understanding that bidding shall take place at the trade/subcontractor level. Any work items provided by the general contractor, or for which there is not adequate competition at the trade/subcontractor level, shall be subject to the Government's review of cost and pricing data.

- D) The Lessor shall design and construct tenant improvements on behalf of the Government in accordance with the SFO. The following limits on markups shall apply to all tenant improvements, including change orders:
- (1) General Conditions shall not exceed four percent (4%) of total Subcontractors costs;
 - (2) General Contractor's fee shall not exceed seven percent (7%) of total subcontractors costs;
 - (3) Architectural and Engineering fees shall not exceed \$0.30 per BOASF, with a minimum of \$6,000 per permitted job; and
 - (4) Lessor's Project Management fees shall not exceed five percent (5%) of total subcontractors costs.

These markups are all subject to the right of the Government to reasonably negotiate lower markups based upon the actual Scope of Work of the requirement.

- E) In accordance with Paragraph 1.7 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the lease value for the firm term of the lease. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED] and shall be paid as free rent to be taken during the first three (3) months of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of [REDACTED], which shall be earned upon award and paid to Studley, Inc. within 30 days following execution of this Lease by the Government.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the 1st month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First (1st) Month's Rental Payment of \$76,428.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second (2nd) Month's Rental Payment of \$76,428.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third (3rd) Month's Rental Payment of \$76,428.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

- F) The Government's percentage of occupancy for real estate tax purposes shall be 100%, based on occupancy of 57,321 BRSF in a building of 57,321 BRSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 2.2(c)(3) of the SFO. For purposes of SFO Paragraph 2.2(b)(2), the term "Real Estate Taxes" shall include the Infestation Prevention and Storm Water Tax.
- G) For purposes of Paragraph 2.3 of the SFO, as of the date hereof, the operating cost base is \$177,778.00 (\$3.10144624 per BRSF; \$3.4460447 per BOASF). Normal hours of operation shall be 7:00 am to 5:00 pm, Monday through Friday, exclusive of Federal holidays.
- H) Pursuant to Paragraph 2.1(c) "Common Area Factor", the Add-On Factor is determined to be 1.03667263, calculated as follows: 57,321 BRSF / 51,589 BOASF.
- I) Pursuant to paragraph 2.5 of the SFO, the adjustment for vacant premises shall be \$0.07/BOASF.
- J) Paragraph 3.23 of the SFO is hereby amended to provide that any assessment of liquidated damages shall be made *pro rata* based on the percentage of the leased premises that is delayed.
- K) Lessor shall maintain, repair and replace (as necessary) all HVAC Systems identified in the inventory attached hereto as Attachment 1. All other HVAC Systems serving the leased premises shall be maintained, repaired

and replaced (as necessary) by the Government at its sole expense. Notwithstanding the foregoing, upon request of the Government and at the Government's cost, the Lessor shall provide preventive maintenance services on all Government HVAC Systems and backup power systems as an additional cost billed directly to and paid by the Government outside of the annual rent and the operating cost base.

- L) The Lessor shall not be required to provide shatter-resistant window protection under SFO Paragraph 9.29.
- M) In the event of a conflict between this Standard Form 2 and any other documents that comprise this Lease, this Standard Form 2 shall govern.

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

- (1) Rider # 1, Fire Protection and Life Safety, 1 page
- (2) Floor Plans of the Leased Area, 2 pages
- (3) Solicitation For Offers (SFO) #9VA2452, 86 pages
- (4) Attachment #2, Construction Schedule, 1 page
- (5) Attachment #3, Scope of Work for DID's, Working CD's and Project Schedule, 2 pages
- (6) Attachment #4, Prelease Fire Protection and Life Safety, 10 pages
- (7) Pre-Lease Building Security Plan, 13 pages
- (8) GSA Form 1217 - Lessor's Annual Cost Statement, 1 page
- (9) GSA Form 3517B - General Clauses and Amendment No. 1 thereto, 35 pages
- (10) GSA Form 3518 - Representations and Certifications, 10 pages
- (11) Inventory of HVAC Systems Maintained by Lessor, 1 page
- (12) Small Business Subcontracting Plan, 13 pages

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

Lessor: **BOSTON PROPER**

By: Boston Prop

By:

Pete

IN PRESENCE

OF: Rose Salla

ADDRESS: 505 9th Street, NW

Suite 800

Washington DC, 20004

UNITED STATES

By

Contracting Officer, National Capital Region
General Services Administration