

LEASE NO. GS-11B-12529

Standard Lease  
GSA FORM L201C (05/11)

THIS LEASE, made and entered into this date between: 1500 Wilson One, LLC

Whose address is: c/o Penzance  
2400 N Street, NW  
Suite 600  
Washington, DC 20037

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 approximately **15,840 Rentable Square Feet (RSF)**, being **13,774 ANSI BOMA Office Area Square Feet (ABOA)**, (herein referred to as the Leased Premises), consisting of the partial 1st floor as shaded on the attached floor plan made a part hereof, in the building known as A&M, located at 1500 Wilson Boulevard, Arlington, VA 22209-2404.

Parking: 5 parking spaces of which 5 shall be structured inside spaces for the use of the Government. Parking shall be provided at a rate of \$170.00 per parking space per month (Structure).

More fully described in Section 1 of this Lease and Floorplans (Exhibit 11 of the Lessor's Offer), together with rights to the use of parking and other areas as set forth herein, subject further to the terms of the Rider to GSA Form 1364 included as Exhibit 2 which shall govern over any other attachment to this Lease.

To be used for office and related purposes as determined by the Government.

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2. TO HAVE AND TO HOLD the said premises with their appurtenances for the ten (10) YEAR FIRM term beginning on November 1, 2012 and expiring on October 31, 2022. Effective as of the commencement date of this lease, former lease #GS-11B-30068 shall be of no further force or fact.

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The Government shall pay the Lessor an annual rent of \$489,931 (\$30.93 / RSF) plus 5 structured inside parking spaces at the annual rate of \$10,200 (\$170 per parking space per month) for a total annual rent of \$500,131 payable at the rate of \$41,677.58 per MONTH in arrears for the period of November 1, 2012 through June 30, 2013.

The Government shall pay the Lessor an annual rent of \$601,920 (\$38.00 / RSF) plus 5 structured inside parking spaces at the annual rate of \$10,200 (\$170 per parking space per month) for a total annual rent of \$612,120 payable at the rate of \$51,010 per MONTH in arrears for the remaining period of July 1, 2013 through October 31, 2022. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$153,964.80 (\$9.72 / RSF), and base real estate taxes.

In Witness Whereof, the parties have hereunto set their hands and seals, and have hereunto subscribed their names, to all terms and conditions set forth herein by their signatures below, to be effective from the date hereof.

FOR

[Redacted Signature]

FOR THE

[Redacted Signature]

Name: VICTOR V. TOLKOV  
Title: MANAGER  
Date: 5/3/12

Seyi Gbadebo  
Lease Contracting Officer  
Date: 6/15/12

WIT

[Redacted Signature]

Name: MATT PALMER  
Title: ST  
Date: 5/3/12

6.02	UTILITIES (APR 2011) .....	36
6.03	UTILITIES SEPARATE FROM RENTAL/BUILDING OPERATING PLAN (APR 2011) .....	36
6.04	HEATING AND AIR CONDITIONING (APR 2011) .....	36
6.05	OVERTIME HVAC USAGE (APR 2011) .....	36
6.06	JANITORIAL SERVICES (APR 2011) .....	36
6.07	SELECTION OF CLEANING PRODUCTS (APR 2011) .....	37
6.08	SELECTION OF PAPER PRODUCTS (APR 2011) .....	37
6.09	SNOW REMOVAL (APR 2011) .....	37
6.10	MAINTENANCE AND TESTING OF SYSTEMS (APR 2011) .....	37
6.11	MAINTENANCE OF PROVIDED FINISHES (APR 2011) .....	38
6.12	ASBESTOS ABATEMENT (APR 2011) .....	38
6.13	ONSITE LESSOR MANAGEMENT (APR 2011) .....	38
6.14	SCHEDULE OF PERIODIC SERVICES (APR 2011) .....	38
6.15	LANDSCAPING (APR 2011) .....	38
6.16	LANDSCAPE MAINTENANCE (APR 2011) .....	39
6.17	RECYCLING (DEC 2007) .....	39
6.18	RANDOLPH-SHEPPARD COMPLIANCE (APR 2011) .....	39
6.19	SAFEGUARDING AND DISSEMINATION OF SENSITIVE BUT UNCLASSIFIED (SBU) BUILDING INFORMATION (JUN 2009).....	39
6.20	INDOOR AIR QUALITY (DEC 2007) .....	40
6.21	RADON IN AIR (AUG 2008) .....	41
6.22	RADON IN AIR (SEP 2000).....	41
6.23	RADON IN WATER (AUG 2008) .....	42
6.24	HAZARDOUS MATERIALS (OCT 1996) .....	42
6.25	MOLD (AUG 2008) .....	42
6.26	OCCUPANT EMERGENCY PLANS (APR 2011).....	42
6.27	FLAG DISPLAY (APR 2011).....	42
<b>SECTION 7 ADDITIONAL TERMS AND CONDITIONS .....</b>		<b>43</b>

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

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**1.01 THE PREMISES**

The Premises are described as follows:

Office and Related Space: 15,840 rentable square feet (RSF), yielding 13,774 ANSI/BOMA Office Area (ABOA) square feet of office and related space (based upon a Common Area Factor of 1.15%, located on the 1<sup>st</sup> floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit 11.

**1.02 EXPRESS APPURTENANT RIGHTS**

In common with other building tenants, 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: 5 parking spaces of which 5 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. Antennae, 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.

**1.03 RENT AND OTHER CONSIDERATION**

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

	11/1/2012 – 6/30/2013		7/1/2013 – 10/31/2022	
	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENTAL RATE	\$335,966.40	\$21.21	\$447,955.20	\$28.28
TENANT IMPROVEMENTS RENTAL RATE*	N/A	N/A	N/A	N/A
OPERATING COSTS*	\$153,964.80	\$9.72	\$153,964.80	\$9.72
BUILDING SPECIFIC SECURITY COSTS	N/A	N/A	N/A	N/A
FULL SERVICE RATE	\$489,931.20	\$30.93	\$601,920	\$38.00

\*Not inclusive of parking in the amount of \$170 per space per month (per section 1.03 G).

\*\*The Tenant Improvements Allowance is amortized at a rate of N/A percent per annum for N/A years.

B. Rent is NOT subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed XX ABOA sq. ft. based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is NOT subject to adjustment based upon the final Tenant Improvement cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. 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.

E. 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.

F. 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 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
4. All services, utilities (with the exclusion of N/A, maintenance required for the proper operation of the Property, the Building, and the Leased 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 N/A directly to the utility provider. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the Contracting Officer, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

G. Parking shall be provided at a rate of \$ 170 per parking space per month (Structure), and \$ N/A per parking space per month (Surface).

**1.04 BROKER COMMISSION AND COMMISSION CREDIT:**

[NBC2 Broker Name] ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is \$ N/A and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only \$ N/A of the Commission, will be payable to [NBC2 Broker Name] with the remaining \$ N/A, 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.

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	X	Rental	Payment	\$ <u>N/A</u>	minus	prorated	Commission	Credit	of	\$ <u>N/A</u>	equals
\$	<u>N/A</u>	adjusted	X <sup>th</sup>	Month's Rent.							
Month	X	Rental	Payment	\$ <u>N/A</u>	minus	prorated	Commission	Credit	of	\$ <u>N/A</u>	equals
\$	<u>N/A</u>	adjusted	X <sup>th</sup>	Month's Rent.							
Month	X	Rental	Payment	\$ <u>N/A</u>	minus	prorated	Commission	Credit	of	\$ <u>N/A</u>	equals
\$	<u>N/A</u>	adjusted	X <sup>th</sup>	Month's Rent.							

**1.05 TERMINATION RIGHT**

The Government may NOT terminate this Lease, in whole or in part, at any time effective after the firm term of this Lease by providing not less than N/A 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 RENEWAL RIGHTS**

This Lease may be NOT renewed at the option of the Government for a term of **XX YEARS** at the following rental rate(s):

	OPTION TERM, YEARS XX - XX	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$XX	\$XX
OPERATING COST	OPERATING COST BASIS SHALL CONTINUE FROM YEAR XX OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least XX 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 force and effect during any renewal term.

**1.07 DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)		10
PARKING PLAN(S)		N/A
AGENCY SPECIFIC REQUIREMENTS		N/A
ADDITIONAL SECURITY REQUIREMENTS		N/A
GSA FORM 3517B GENERAL CLAUSES		5
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS		6
SMALL BUSINESS SUBCONTRACTING PLAN		N/A
SECURITY UNIT PRICE LIST		N/A

**1.08 TENANT IMPROVEMENT ALLOWANCE**

The Tenant Improvement Allowance for purposes of this Lease is \$ N/A per ABOA sq. ft. The Tenant Improvement Allowance is the amount that the Lessor shall make available for the Government to be used for the Tenant Improvements. This amount has been amortized in the rent over the firm term of this Lease at an interest rate of XX percent per year.

**1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (APR 2011)**

A. The Government, at its sole discretion, shall make all decisions as to the use of the TI Allowance. The Government may use all or part of the Tenant Improvement Allowance. The Government may return to the Lessor any unused portion of the Tenant Improvement Allowance 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 Allowance. That part of the Tenant Improvement Allowance 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 choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the Tenant Improvement Allowance. If the Government elects to make a lump sum payment for the Tenant Improvement Allowance after occupancy, the payment of the Tenant Improvement Allowance 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 allowance identified above, the Government shall have the right to either:

1. Reduce the Tenant Improvement requirements;
2. Pay lump sum for the overage upon completion and acceptance of the improvements; or
3. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.

**1.10 TENANT IMPROVEMENT FEE SCHEDULE**

For pricing Tenant Improvement Costs as defined herein, the following rates shall apply for the initial build-out of the Space.

ARCHITECT/ENGINEER FEES (PER ABOA SQ.FT. OR % OF CONSTRUCTION COSTS)	\$6.90
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LESSOR'S PROJECT MANAGEMENT FEE (% OF CONSTRUCTION COSTS)	5%
GENERAL CONTRACTOR GENERAL CONDITIONS AND FEE	6% AND 6%

**1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE**

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 6.36% percent. The percentage of occupancy is derived by dividing the total Government space of 15,840 RSF by the total building space of 248,909 rentable square feet.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is **\$59,974**.

**1.12 OPERATING COST BASE**

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$ 9.72 per rentable sq. ft.

**1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES**

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Leased 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 \$ 1.22 per ABOA sq. ft. of space vacated by the Government.

**1.14 NON-24/7 HVAC RATES**

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

\$ N/A per hour per zone

No. of zones: **XX**

\$ 48.46 per hour for the entire space.

**1.15 24-HOUR HVAC REQUIREMENT (APR 2011)**

The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at a rate of \$ N/A per ABOA sq. ft. of the area receiving the additional overtime HVAC.

**1.16 ADDITIONAL BUILDING IMPROVEMENTS**

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire/Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space:

- A. N/A
- B. N/A
- C. N/A