

This Lease is made and entered into between

POLK AND TAYLOR PROPERTY LLC

(Lessor), whose principal place of business is **C/O BEACON CAPITAL PARTNERS, LLC, 200 STATE STREET, 5TH FLOOR, BOSTON, MASSACHUSETTS 02109**, 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

THE ZACHARY TAYLOR BUILDING – 2530 CRYSTAL DRIVE, ARLINGTON, VIRGINIA 22202

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.

To Have and To Hold the said Premises with its appurtenances for the term beginning upon **MAY 1, 2013** and continuing for a period of

5 YEARS FIRM PLUS [REDACTED] RENEWAL OPTIONS,

subject to termination and renewal rights as may be hereinafter set forth.

Upon execution of this Lease by the Government, GSA Lease Nos. **GS-11B-01639** and **GS-11B-01703** shall be terminated as of **April 30, 2013** and those Spaces shall be incorporated into this Lease, subject to all terms and conditions as stated hereinafter.

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: [REDACTED]

Title: [REDACTED]

FOR THE GOVERNMENT:

Name: [REDACTED]
Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: 4/30/13

[REDACTED]

Name: DARLAN LEDLANE

Title: VICE CHAIRMAN, PRINCIPAL

Date: 4/5/2013

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: DS

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (JUN 2012)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: **558,187** BOMA rentable square feet (BRSF), yielding **496,760** ANSI/BOMA Office Area square feet (ABOA SF) of office and related Space located on the entirety of the **1st and 3rd through 13th** floor(s) 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 **1.123655286**. This factor, which represents the conversion from ABOA to BRSF, 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 (JUN 2012)

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: See Parking paragraph of this Lease.

B. Antennas, Satellite Dishes, and Related Transmission Devices: See Antennas, Satellite Dishes, and Related Transmission Devices paragraph of this Lease.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2012)

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

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$ 17,640,528.35	N/A
TENANT IMPROVEMENTS RENT ²	\$ 0.00	N/A
OPERATING COSTS ³	\$ 3,040,300.00	N/A
BUILDING SPECIFIC AMORTIZED CAPITAL ⁴	\$ 0.00	N/A
PARKING ⁵	\$ 0.00	N/A
TOTAL ANNUAL RENT	\$ 20,680,828.35	N/A

¹ Shell rent (Firm Term) calculation: \$31,60325903 per BRSF multiplied by 558,187 BRSF
² The Tenant Improvement Allowance of \$0.00 is amortized at a rate of 0 percent per annum over 5 years
³ Operating Costs rent calculation: \$5,44674096 per RSF multiplied by 558,187 BRSF
⁴ Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of 0 percent per annum over 5 years
⁵ Parking costs described in Section 7 of the Lease

In instances where the Lessor amortizes either the TI or Building Specific Amortized Capital 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.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed **496,760** ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

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 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 (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

E. 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.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. **Jones Lang LaSalle Americas, 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 Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to **Jones Lang LaSalle Americas, Inc.** with the remaining [REDACTED] 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.

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 month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$1,723,402.3625 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

Month 2 Rental Payment \$1,723,402.3625 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.*

*Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 TERMINATION RIGHTS (AUG 2014)

1.06 RENEWAL RIGHTS (AUG 2011)

This Lease may be renewed up to **two (2)** times at the option of the Government for a term of **5 YEARS** each at the following rental rate(s):

OPTION TERM 1, [REDACTED]	
	ANNUAL RENT ANNUAL RATE / RSF
SHELL RENTAL RATE	[REDACTED] [REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

OPTION TERM 2, [REDACTED]	
	ANNUAL RENT ANNUAL RATE / RSF
SHELL RENTAL RATE	\$ [REDACTED] [REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM [REDACTED] OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

provided notice is given to the Lessor at least **365** calendar days before the end of the original Lease term for Option Term 1 or at least **365** calendar days before the end of Option Term 1 for Option Term 2, 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 IN THE LEASE (JUN 2012)

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

LESSOR:  GOVERNMENT: 

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLANS	17	A
PARKING PLAN(S)	1	B
UNIT PRICE LIST	3	C
GSA FORM 1217 – LESSOR'S ANNUAL COST STATEMENT	3	D
GSA FORM 3517B – GENERAL CLAUSES	46	E
GSA FORM 3518 – REPRESENTATIONS AND CERTIFICATIONS	7	F
GSA FORM 12000 – PRE-LEASE FIRE PROTECTION AND LIFE SAFETY EVALUATION FOR AN OFFICE BUILDING (PART A AND PART B)	28	G
PRE-LEASE BUILDING SECURITY PLAN	13	H
SMALL BUSINESS SUBCONTRACTING PLAN	13	I
LIST OF EXISTING SUPPLEMENTAL EQUIPMENT AND SUB-METERS	3	J
BROKER COMMISSION AGREEMENT	3	K

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2011)

1.09 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)

1.11 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 **100.00** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **558,187** BRSF by the total Building space of **558,187** BRSF.

1.12 ESTABLISHMENT OF TAX BASE (JUN 2012)

The Real Estate Tax Base shall be established after the first full year of occupancy in accordance with the Real Estate Tax Adjustment paragraph of the Lease.

1.13 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$5.44674096** per BRSF (**\$3,040,300.00** / annum).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)

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 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 in accordance with the following adjustment schedule for the amount of Space vacated by the Government.

	REDUCTION IN RENTAL RATE	
	Per BRSF	Per ABOA SF
Partial Floor (< 25,000 BRSF)	\$0.00	\$0.0000000000
Partial Floor (> 25,000 BRSF)	\$1.05	\$1.1798380506
Full Floor	\$1.50	\$1.6854829294
Entire Premises	\$2.05	\$2.3034933368

Said reduction shall occur after the Government gives **30** calendar days' prior notice to the Lessor and shall continue in effect until the Government occupies the vacant Premises or the Lease expires or is terminated.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- **\$145.00** per hour for the first floor of usage.
- **\$28.00** per hour for each additional floor of usage.
- Minimum three (3) hours will be charged for each usage.

1.16 24-HOUR HVAC REQUIREMENT (APR 2011)

1.17 BUILDING IMPROVEMENTS (SEP 2012)

The Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

A. The Lessor, at its sole cost and expense, shall be responsible for the remediation of any and all Fire Protection and Life Safety deficiencies identified in the GSA Form 12000 Pre-Lease Fire Protection and Life Safety Evaluation for an Office Building (Part A and Part B), which shall include all deficiencies identified in the Pre-Lease Fire Protection and Life Safety Evaluation Findings and Recommendations and on the Arlington County Fire Department Fire Marshall Inspection Log dated October 9, 2012. These deficiencies are provided in Exhibit G. The Lessor shall have 30 calendar days from the Lease Award Date to remediate the identified deficiencies.