

LEASE NO. GS-11P-LVA12676

Standard Lease
GSA FORM L201C (September 2013)

INSTRUCTIONS TO OFFEROR: Do not attempt to complete this lease form (GSA Lease Form L201C, hereinafter Lease Form). Upon selection for award, GSA will transcribe the successful Offeror's final offered rent and other price data included on the lease proposal form (GSA Lease Proposal Form 1364C, hereinafter Lease Proposal Form) into a Lease Form, and transmit the completed Lease Form, together with appropriate attachments, to the successful Offeror for execution.

This Lease is made and entered into between

Glenborough 1525 Wilson, LLC

(Lessor), whose principal place of business is Equity Office, c/o DTZ, 1525 Wilson Blvd, Suite 229, Arlington, VA 22209, Attn: Property Manager, 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

1525 Wilson Blvd, Arlington, VA 22209-2411

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 office and related purposes as determined by GSA.

LEASE TERM

5 Years firm,

To Have and To Hold the said Premises with its appurtenances for the term beginning March 24, 2015 and continuing through March 23, 2020.

In Witness Whereof, the parties hereto have hereunto set their hands and seals, and in presence of their witnesses, at Washington, D.C., this 14th day of April, 2015, and hereby certify their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of the execution of this Lease to the Lessor.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Name: Mark Smith
Title: Managing Director
Entity Name: Equity office
Date: 3/23/15

Name: [Redacted]
Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: APR 14, 2015

SIGNOR BY:

Name: Britton C. Derkac
Title: Director - Asset Management
Date: 3/23/2015

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.

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: 24,734 rentable square feet (RSF), yielding 20,146 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space consisting of 10,591 RSF (or 8,345 ABOA) located in Suite 200 on a portion of the 2nd floor and 14,143 RSF (or 11,801 ABOA) located in Suite 425 on a portion of the 4th 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 22.7737516 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)

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: 8 parking spaces shall be non-reserved, structured/inside parking spaces at the rates specified in H below. In addition, the Lessor shall provide such additional parking spaces at a ratio of 1.3 per 1,000 RSF leased at the rates specified in H below.

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 (OCT 2014)

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

	FIRM TERM	
	ANNUAL RENT ⁶	ANNUAL RENT/RSF
SHELL RENT ¹	\$877,358.29	\$35.471751
TENANT IMPROVEMENTS RENT ²	\$0.00	\$0.00
OPERATING COSTS ³	\$146,259.96	\$5.913316
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$1,023,618.25	\$41.385067
PARKING ⁵	\$15,840.00	N/A
TOTAL ANNUAL RENT WITH PARKING	\$1,039,458.25	

¹Shell rent calculation (Firm Term): \$35.471751-per RSF (or \$43.55_per ABOA) multiplied by 24,734 RSF

²N/A

³Operating Costs rent calculation (inclusive of daytime cleaning): \$5.913316_per RSF (or \$7.26 per ABOA) multiplied by 24,734 RSF

⁴N/A

⁵Parking costs described under sub-paragraph H below

⁶Annual rent is rounded

Note: the Government shall be entitled to 3.5 months free rent in the total amount of \$298,555.32

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 unamortized costs beyond the Firm Term.

B. The parties acknowledge and agree based upon a mutual on-site measurement of the Space that the Space covered by this Lease is 20,146 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517B.

LESSOR:  GOVERNMENT: 

C. ~~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. INTENTIONALLY DELETED~~

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 is subject to adjustments 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. INTENTIONALLY DELETED~~

F. 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), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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.

H. Parking shall be provided at a rate of \$165.00 per parking space per month (non-reserved structured/inside), and \$330.00 per parking space per month (reserved structured/inside). Such rates are subject to market increases from time to time.

1.04 RENT CONCESSIONS (JUN 2012)

The Government shall be entitled to 3.5 months free rent in the amount of \$298,555.32, 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.

1.05 TERMINATION RIGHTS (AUG 2014) INTENTIONALLY DELETED

~~The Government may terminate this Lease, in whole or in part, to be effective at any time after the end of the third year 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 RENEWAL RIGHTS (SEP 2013) INTENTIONALLY DELETED

This Lease may be renewed at the option of the Government for a term of [REDACTED] at the following rental rate(s):

~~provided notice is given to the end of the original Lease term, all Lease, as same may have been and effect during any renewal~~

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

~~Lessor at least XX days before the other terms and conditions of this amended, shall remain in full force term.~~

1.07 DOCUMENTS INCORPORATED IN THE LEASE SEP 2013)

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

LESSOR: MS GOVERNMENT: SPW

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
SOLICITATION ATTACHMENT #1 – RATE STRUCTURE	1	B
SOLICITATION ATTACHMENT #2 – CONSTRUCTION SCHEDULE	1	C
PRE-LEASE FIRE PROTECTION AND LIFE SAFETY EVALUATION	17	D
FIRE PROTECTION LIFE SAFETY RIDER #1	3	E
SECURITY REQUIREMENTS – LEVEL III	10	F
GSA FORM 3517B GENERAL CLAUSES	47	G
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	H
SMALL BUSINESS SUBCONTRACTING PLAN	11	I
SECURITY REQUIREMENTS RIDER #2	1	J

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011) INTENTIONALLY DELETED

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED

A. 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.

B. 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.

C. 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.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates for all build-out of the Space shall not exceed.

	BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$4.25
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	10.0%

When applicable, Lessor's General Contractor fees, and General Conditions shall be competed based on a project-by-project basis, to be established at the time of the project as being fair and reasonable.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012) INTENTIONALLY DELETED

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$ per ABOA SF annually. 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.

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED

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.~~

1.13 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 7.76 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 24,734 RSF by the total Building space of 318,729 RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, shall be tax year 2015 (i.e., calendar year 2015). Real estate tax adjustments required in Paragraph 2.07 shall be computed by comparing each following calendar year to the base year. The first real estate tax adjustment shall be calculated by comparing tax year 2016 to tax year 2015. Payment for the first year adjustment shall be prorated from March 24, 2016 through December 31, 2016.

1.15 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 **\$7.26 per ABOA equivalent to \$5.913316**-per RSF (**\$146,259.96**/annum).

1.16 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 **\$1.22** per ABOA SF of Space vacated by the Government for the entire demised area if the Government only leases a portion of a floor, or more than half a floor of the Government demised area of Space covered by this Lease if Government space is located on a full floor.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$ 50.00 per hour for the entire Space.

1.18 ~~24-HOUR HVAC REQUIREMENT (APR 2014) INTENTIONALLY DELETED~~

~~The hourly overtime HVAC 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 an annual rate of N/A per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.~~

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- 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 E, Fire and Life Safety Rider Number One within 120 days of mutual execution of the Lease.

1.20 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.