

LEASE NO. GS-11P-LDC12660

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

WOODIES HOLDINGS, LLC, c/o Douglas Development Corporation

(Lessor), whose principal place of business is 702 H Street, NW, Suite 400, Washington, DC 20001, 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

1025 F Street, NW, Washington, DC 20004-1412

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.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning on November 25, 2015 and continuing for a period of

10 Years, 5 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be November 25, 2015.

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

[Redacted signature area]

FOR THE GOVERNMENT:
[Redacted signature area]

Entity Name: Woodies Holdings, LLC
Date: 1/5/15

Title: Lease Contracting Officer
General Services Administration, Public Buildings Service
Date: FEB 13 2015

WITN THE LESSOR BY:
[Redacted signature area]
Name: Kevin Selig
Title: Executive, Jtl
Date: 1/5/15

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: [Signature]

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: 152,022 rentable square feet (RSF), yielding 136,539 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the entirety of the 4th, 5th and 6th floor(s) and a portion of the 7th floor and known as Suite(s) 400, 500, 600 and 701, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A. Unless otherwise noted in Section 1.19, 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.

B. Common Area Factor: The Common Area Factor (CAF) is established as 11 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: INTENTIONALLY DELETED

B. Antennas, Satellite Dishes, and Related Transmission Devices: INTENTIONALLY DELETED

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

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	\$5,157,944.51	\$5,192,818.50
TENANT IMPROVEMENTS RENT ²	\$112,224.67	\$0.00
OPERATING COSTS ³	\$1,447,683.00	\$1,447,683.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00
PARKING ⁵	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$6,717,852.18	\$6,640,501.50

¹Shell rent calculation:

(Firm Term) \$33.93 per RSF multiplied by 152,022 RSF (Rate is rounded)

(Non Firm Term) \$34.16 per RSF multiplied by 152,022 RSF (Rate is rounded)

²The Tenant Improvement Allowance of \$500,000. \$175,000 is amortized at a rate of 0 percent per annum over 5 years, and the remaining \$325,000 is amortized at a rate of 7 percent per annum over 5 years.

³Operating Costs rent calculation: \$9.52 per RSF multiplied by 152,022 RSF (Rate is rounded)

⁴There is no charge for Building Specific Amortized Capital (BSAC). ⁵There is no parking included in the Lease.

B. INTENTIONALLY DELETED

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.

D. Rent is subject to adjustment 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.

E. 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.

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. INTENTIONALLY DELETED

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. CBRE, 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 CBRE, 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 \$559,821.02 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

Month 2 Rental Payment \$559,821.02 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 2011)

The lease term shall be 10 years, with the Government possessing a conditional right to terminate this lease in its entirety at any time after February 24, 2020, by giving the Lessor 270 days of prior and irrevocable written notice. The termination would not be effective prior to November 24, 2020, and would become effective as of 11:59 PM on whichever date falls 270 days after proper notice is given. Further, the termination would only be valid if the tenant is to be moved with other [REDACTED] leases that are relocating and consolidating into the replacement building(s) of the J. Edgar Hoover Federal Building. This lease is not subject to any renewals.

1.06 RENEWAL RIGHTS (SEP 2013) INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	4	A
SECURITY REQUIREMENTS [REDACTED]	10	B
GSA FORM 3517B GENERAL CLAUSES	47	C
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	D
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	2	E
SMALL BUSINESS SUBCONTRACTING PLAN	14	F
PROGRAM OF REQUIREMENTS	13	G

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$500,000.00. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. The first \$175,000 of the TIA is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent, and the remaining \$325,000 of the TIA is amortized over the Firm Term of this Lease at an annual interest rate of 7 percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

LESSOR:  GOVERNMENT: 

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 of the improvements;
3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	8%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5%

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012) INTENTIONALLY DELETED

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

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 30.15 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 152,022 RSF by the total Building space of 504,221 RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease, shall be equal to the Government's pro-rata share of Real Estate Taxes for Tax Year 2016 (October 1, 2015-September 30, 2016). Tax adjustments shall not occur until the tax year following lease commencement has passed (October 1, 2016-September 30, 2017).

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 \$1,447,683/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 \$1.50 per ABOA SF of Space vacated by the Government.

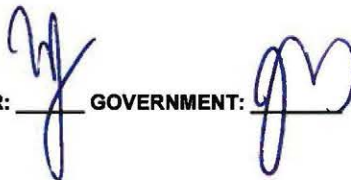
1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$50.00 per hour per floor on business days. \$70 per hour per floor on weekends and holidays.

1.18 24-HOUR HVAC REQUIREMENT (APR 2011)

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 as outlined in Section 7.02 of this Lease. 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)

Within 60 days of Lease execution, the Lessor shall complete the following additional Building improvements at its sole cost and expense:

- A. The monthly quick check is not being conducted on portable fire extinguishers as required by Section 7.2.1; NFPA 10.
- B. The annual inspection of portable fire extinguishers as required by Section 7.3; NFPA 10 has not been conducted since March 2012 and is overdue.
- C. Concealed automatic fire sprinklers were noted with their cover plates missing. All cover plates shall be installed in accordance with the sprinkler's listing.
- D. Loading Dock - A single means of egress from the loading dock requires a [REDACTED] to exit when the man doors are not open. This locking arrangement does not meet the requirements of Section 7.2.1.5; NFPA 101. A code compliant locking arrangement should be implemented.
- E. Lower Level - A set of fire doors are installed on the lower level and separate the Woodies Building from the wax museum. These doors appear to require fire separation. The doors do not close and latch in accordance with Section 6.1.3; NFPA 80. Adjust the doors and/or closing and latching mechanisms to ensure proper operation.
- F. 2nd Floor - The stair interrupter at the second floor level in Stair 3 is damaged and is not self-closing. The stair interrupter shall be fixed to allow self-closing at all times.
- G. 7th Floor - The door to Stair 1 does not close and latch. Section 6.1.3, NFPA 80 requires fire doors to close and latch. Adjust the door and/or latch as necessary to ensure proper operation.
- H. Lessor shall clean all the air ducts on the 4th, 5th, 6th and 7th Floors and continue to clean all air ducts as needed throughout the Lease term.

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.

