

LEASE NO. GS-11P-LDC12661

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

Piedmont – Independence Square, LLC

(Lessor), whose principal place of business is c/o Piedmont Office Realty Trust, Inc. 11695 Johns Creek Parkway, Suite 350, Johns Creeks, GA, 30097, 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

250 E Street SW, Washington, DC, 20024-3208

as 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

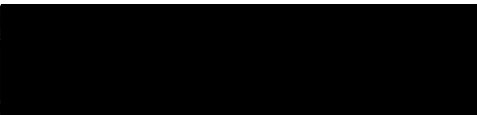
To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

15 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 more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the anticipated improvements to the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement and intend that this Lease shall be effective as of the date of delivery of the fully executed Lease to the Government, to be

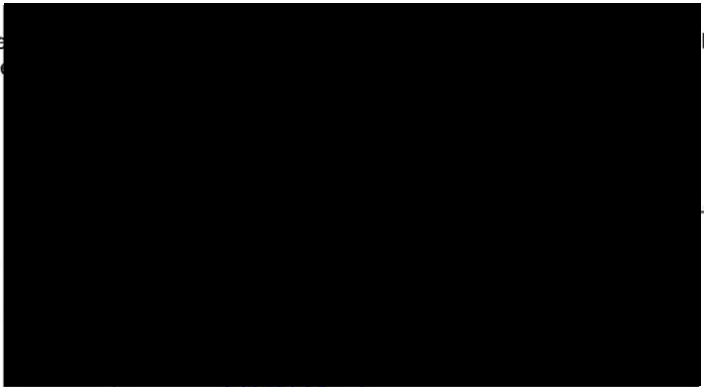
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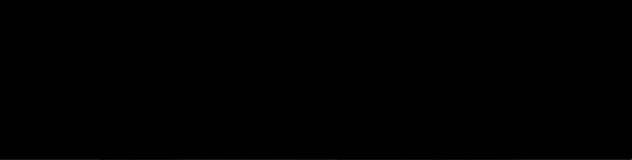
Name: George M. Wells
Title: Vice President

Entity Name: Piedmont – Independence Square, LLC
a Delaware limited liability company

Date: 12-11-14



Date: 12/11/14



Title: Executive Assistant

Date: 12-11-14

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: **84,606** rentable square feet (RSF), yielding **76,597** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the full **2nd 3rd and partial 4th** floor(s) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A. Lessor reserves the right to relocate the Government to upper floors in the building, as long as space remains contiguous, prior to commencement of the design of the tenant improvements.

B. Common Area Factor: The Common Area Factor (CAF) is established as **10.456** 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 the Premises. 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: No parking spaces are included in the rent. However, Lessor shall make available to the Government and/or its employees the parking spaces as noted in paragraph 1.03H of this Lease. 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. 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. All costs associated with such equipment shall be borne by the Government.

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
	ANNUAL RENT
SHELL RENT ¹	\$2,331,001.90
TENANT IMPROVEMENTS RENT ²	\$ 479,701.47
OPERATING COSTS ³	\$ 826,602.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 127,661.67
PARKING	\$ 0.00
TOTAL ANNUAL RENT⁵	\$3,764,967.04

¹Shell rent calculation:

(Firm Term) **\$27.55126** per RSF multiplied by **84,606** RSF

²The Tenant Improvement Allowance of **\$7,195,522.00** is amortized at a rate of **0** percent per annum over **15** years.

³Operating Costs rent calculation: **\$9.77002** per RSF multiplied by **84,606** RSF

⁴Building Specific Amortized Capital (BSAC) of **\$1,914,925.00** are amortized at a rate of **0** percent per annum over **15** years

⁵Rent for the first eighteen (18) full months of the lease term (inclusive of tenant improvement amortization, building specific amortized capital amortization, and operating costs) shall be abated in its entirety.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed **76,597** ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

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 leases the Premises for less than a full calendar month at the beginning or the end of the lease term, then rent shall be prorated based on the actual number of days the lease is in effect.

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 provided that all costs for Tenant Improvements shall be paid by the Government by application of the Tenant Improvement Allowance or by lump sum.

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. Up to ninety-three (93) parking permits shall be available for lease by the Government or its employees at a rate of \$295.00 per parking permit per month (structured/inside/non-reserved), or \$495.00 per parking space per month (structured/inside/reserved) for calendar year 2015, subject to annual adjustment thereafter of three (3%) percent per year.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. Savills Studley, 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 Savills Studley, 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, in addition to the eighteen (18) months of rent abatement, 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 19 Rental Payment \$313,747.25 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 19th Month's Rent.*

Month 20 Rental Payment \$313,747.25 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 20th Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration" and operating cost adjustments under the paragraph "Operating Cost Adjustment."

1.05 INTENTIONALLY DELETED

1.06 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)	3	A
SECURITY REQUIREMENTS	10	B
GSA FORM 3517B GENERAL CLAUSES	47	C
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	D
SMALL BUSINESS SUBCONTRACTING PLAN	10	E

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$93.94 per ABOA SF (\$7,195,522.00). The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

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 shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$3.50/ABOASF
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	3%

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$25.00** per ABOA SF (\$1,914,925.00). 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)

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 **25.345** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **84,606** RSF by the total Building space of **333,815** RSF.

1.14 INTENTIONALLY DELETED

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 **\$9.77002** per RSF (**\$826,602.00/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 \$0.50 per ABOA SF of Space vacated by the Government if at least a 1/2 floor but less than a full floor, \$2.00 per ABOA SF of Space vacated by the Government per whole floor vacated and \$3.50 per ABOA SF if the entire space is vacated.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$40.00 per hour per zone
- No. of zones: 2 per floor

1.18 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to the Government's central LAN room. **The Lessor shall allow the Government access to any existing chilled water or equivalent system at no additional cost to the Government. If no such system or capacity exists, Lessor shall provide all vertical connections and equipment from rooftop to the highest offered floor at no additional cost to the Government.**

If 24-hour HVAC is required by the Government for any other designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$TBD 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 Safety Improvements:
 1. Install sprinklers in the rooftop generator enclosure in accordance with NFPA 12.
 2. Provide operable exit signs on all four levels of the parking garage. A visible exit sign must be located within 100 feet of any occupiable area.
 3. Provide compliant signage at each grade level and above floor landing in both exit stairs.
 4. Protect and seal penetrations on the 2nd, 8th, and 9th floors of the East exit stair, and on the 2nd and 7th floors of the West stair.
 5. Protect and seal penetrations on the P1 level of the East garage exit stair.
 6. Provide a firefighter telephone in the fire pump room.
 7. Trim bushes, trees, etc. to provide unobstructed access to fire department connections. Additionally, code compliant signage should be provided so the connections can be easily identified by approaching fire apparatus.
 8. Ensure that the existing door to the fire pump room is 1-hour resistance rated, and properly protect and seal all penetrations in the fire pump room.
 9. Remove storage that partially obstructs access to the P2 level of the East exit stair.
 10. Properly protect and seal penetrations in the electrical room on the P1 level.
 11. Provide a 2-hour fire resistance rated ceiling below non-necessary services in the East exit passageway on the 1st floor.
 12. Ensure that occupant load is compliant with NFPA 101 Section 7.3.1.5 related to the exit passageway discharge doors on the P1-P4 levels, and the 2nd-5th floors.

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.