

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT: NO. 1
	TO LEASE NO.: GS-11P-LDC12729
ADDRESS OF PREMISES: 2800 V STREET, NE WASHINGTON, D.C. 20018	PDN Number:

THIS AGREEMENT (hereinafter referred to as the "Amendment") made and entered into between **2800 V STREET LIMITED PARTNERSHIP**

whose address is: c/o Stanley Martin Commercial, Inc.
7501 Wisconsin Avenue, Suite 630E
Bethesda, Maryland, 20814-4855

hereinafter called the LESSOR, and the **UNITED STATES OF AMERICA**, hereinafter called the GOVERNMENT:

WHEREAS, the parties hereto desire to amend the above Lease to incorporate the following modifications to the existing Lease terms.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government, as follows:

- EXPANSION PREMISES:

The Government leases from Lessor approximately 57,222 BOMA rentable square feet (BRSF) yielding 54,634 ANSI/BOMA office area square feet (ABOA SF) of additional Office, Warehouse, and related space located in Bay B (hereinafter referred

This Lease Amendment contains [4] pages and [4] Attachments.
All other terms and conditions of the Lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Signature: _____

Signature: _____

Name: FRED FARSHAY

Name: Kevin Morrison

Title: President of General Partner

Title: Lease Contracting Officer

Entity: 2800 V street Limited Partnership

Agency: GSA - Public Buildings Service

Date: 9/16/2016

Date: NOV 03 2016

WITNESSED FOR:

Signature: _____

Name: Ali FARDSHISHEH

Title: President / Industrious Realty

Date: 9/17/16

to as the "Expansion Premises"), of the Building located at 2800 V Street, NE, Washington, D.C. 20018, as depicted in Attachment B. With the addition of the Expansion Premises, the total aggregate square footage of the Premises shall therefore increase from 96,519 BRSF/91,852 ABOA SF to 153,741 BRSF yielding 146,486 ABOA SF. The square footage of the Expansion Premises shall be confirmed based upon drawings received at Space Acceptance and shall be modified accordingly, if necessary.

• **TERM:**

The Term of the Expansion Premises shall commence on the rent commencement date and shall be coterminous with the term of the existing Lease, set to expire on February 4, 2026. The rent commencement date for the Expansion Premises shall be established and memorialized in a separate Lease Amendment at the time of substantial completion and Government space acceptance, subject to adjustment for Government delay.

• **ANNUAL RENT:**

In consideration, upon acceptance of the Expansion Premises, the annual rate shall be increased by \$1,046,910.59 from \$1,510,285.93 to \$2,557,196.52 – payable at a rate of \$213,099.71 per month in arrears. The Expansion Premises affects the components of the annual rent as follows:

- The Operating Cost Base shall increase by \$220,876.92 from \$372,563.34 to \$593,440.26. Regardless of when the Expansion Premises are accepted, the operating expense adjustment as per Section 2.09 of the Lease shall continue to be due on the anniversary date of the base lease, February 5. In the event the Expansion Premises are not accepted by February 5, 2017, the CPI adjustment for 2017 only, will be due and effective upon acceptance of the Expansion Premises.
- An increase of \$142,291.22 annually to amortize the Expansion Premises tenant improvement allowance of \$1,280,620.96 (\$23.44/ABOA SF) to be amortized over the assumed remaining lease term of 108 months (February 5, 2017 until February 4, 2026) at a rate of 0.00%. Upon substantial completion of the Expansion Premises and acceptance by the Government, another Lease Amendment will be executed to commence rent and calculate the exact rate to amortize the utilized Expansion Premises tenant improvement allowance. The total tenant improvement allowance therefore increases by \$1,280,620.96 from \$1,147,231.48 to \$2,427,852.44.

• **PERCENTAGE OF OCCUPANCY ADJUSTMENT:**

Upon acceptance of the Expansion Premises the Government's new percentage of occupancy shall be 55.90% (153,741 BRSF / 275,016 BRSF). The establishment of the Real Estate Tax Base as per Section 2.07 of the Lease shall not be affected by the timing of the acceptance of the Expansion Premises, and shall be based on the Lease term commencement date of February 5, 2016. For the first Real Estate Tax Adjustment due after acceptance of the Expansion Premises, the calculation of the Government's percentage of occupancy shall account for the acceptance date of the Expansion Premises as compared to the proportionate share of the Tax Year.

• **PARKING:**

The Lessor shall provide 25 additional parking spaces, resulting in a total of 145 spaces under the Lease, as an appurtenance of the Expansion Premises, as outlined in Attachment D.

• **TENANT IMPROVEMENT FEE SCHEDULE:**

Notwithstanding anything to the contrary in the Lease, the following rates shall apply for the initial build-out of the Expansion Premises:

Architect/Engineer Fees (\$ Per ABOA SF)	\$3.00
Project Management Fee (% of TI Construction Costs)	5%

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• DESIGN AND CONSTRUCTION SCHEDULE:

The following schedule shall govern design and construction activities for the buildout of the Expansion Premises (to be concurrent, as applicable, with the schedule provided by Section 4 of the Lease for the existing Premises):

<u>Task Number</u>	<u>Schedule Milestone</u>	<u>Responsible Party</u>	<u>Duration (Working Days)</u>
1	GSA to Provide Program of Requirements (POR)	GSA	Due at execution of this Lease Amendment
2	Design Intent Drawings (DID's)	Lessor	20 Days following completion of Task 1
3	Review and Approval of DID's	GSA	15 Days following completion of Task 2
4	Construction Documents (CD's)	Lessor	25 Days following completion of Task 3
5	Review and Approval of CD's	GSA	15 Days following completion of Task 4
6	TI & BSAC Price Proposal	Lessor	15 Days following completion of Task 5
7	Notice to Proceed	GSA	10 Days following completion of Task 6
8	TI Construction	Lessor	80 Days following completion of Task 7

• BROKER COMMISSION AND COMMISSION CREDIT:

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 execution of this Amendment, 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 rent shall commence at the beginning of the expansion lease term. The monthly rent adjustments for Commission Credit recapture shall occur as indicated in the following schedule of adjusted monthly rents:

- Months 1-2: Total Rental Payment of \$213,099.71 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st – 2nd Months' Rent.
- Month 3: Total Rental Payment of \$213,099.71 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.

• SCOPE OF WORK:

Lessor, as part of the Shell Rent, is to prepare the Expansion Premises in accordance with the shell building requirements outlined in Section 3 of the Lease including the following shell items listed below:

- Demolition (includes walls, duct/unit removal, infill and general demolition)
- Roof Repair and Patching
- Warehouse Lighting (includes T-5 Fixtures, circuits, controls & Switching)
- Sprinkler Modifications
- Floor Finish and Prep (epoxy)
- Painting
- Warehouse Fans & Electrical
- Fire Alarm Mods
- Doors and Docks

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In addition, Lessor is to address the existing equipment as follows, in reference to the Shelving & Fencing Guidance, included as Attachment C to this Amendment:

- Remove the shelving from the space identified as Area 3;
- Remove the shelving from Area 11;
- Retain the pallet storage racks in Area 11 (The Government is not responsible for removal of these items at the expiration of the Lease);
- Retain the remaining shelving in all areas not otherwise addressed (The Government is not responsible for removal of these items at the expiration of the Lease); and,

In reference to the Program of Requirements, included as Attachment A to this Amendment:

- The entire Bay B shall be provided with air conditioning to achieve a standing temperature between 60 degrees Fahrenheit to 75 degrees Fahrenheit and a humidity level of 60%. In accordance with Section 3.39.B of the Lease, the Lessor shall provide central HVAC systems for the office area identified in Attachment A, approximately 17,000 BRSF. The HVAC infrastructure for the remaining area shall be Government cost. The Operating Cost Base stated in this LA includes the cost to provide air conditioning to the entire Bay B.

This document will not constitute an obligation until the date of execution by the Government. Therefore, while payments may be made retroactively, no monies whatsoever are due until **thirty (30)** days after the date of execution by the Government. Any amount due will not accrue interest until that time.

All other terms and conditions of the Lease shall remain in full force and effect.

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LESSOR GOVT