

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. <u>3</u>
	TO LEASE NO. GS-11P-LMD12623
ADDRESS OF PREMISES 6710 ROCKLEDGE DRIVE BETHESDA, MD 20817-1824	PDN Number:

THIS AMENDMENT is made and entered into between ND Properties, Inc.

whose address is: **730 Third Avenue
New York, NY 10017**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

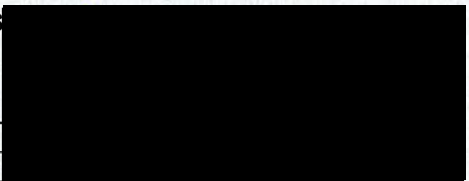
WHEREAS, the parties hereto desire to amend the above Lease.

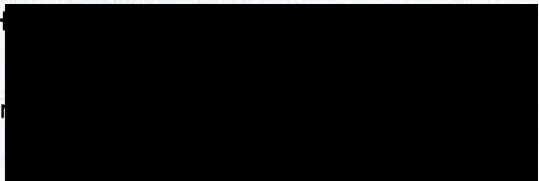
NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended effective the date of the Lease Contracting Officer's signature below as follows:


1. The Government hereby expands the current lease by 4,261 rentable square feet (4,752 ANSI/BOMA Office Area square feet) located on the 3rd floor of the Building, as depicted on the floor plan attached hereto which is the updated full Exhibit A to the Lease. Any and all references made to Exhibit A in the Lease are now referring to this new Exhibit A. The total occupied space under this lease is 88,867 RSF (77,853 BOASF). Given this expansion in leased space, the Common Area Factor has been revised to 1.1415.
2. Exhibit D to the Lease, Agency Specific / Special Requirements, is hereby deleted in its entirety and replaced with the updated Exhibit D, Agency Specific / Special Requirements – April 30, 2014, with 6.0 Space Program as revised June 24, 2014; to the extent of any inconsistency between the revised 6.0 Space Program and requirements stated elsewhere in Exhibit D, the revised 6.0 Space Program requirements shall govern. The updated Exhibit D is attached to this Lease Amendment #3.
3. The Parties hereby agree that no net delay days (liquidated damages or free rent assessments) are due either party as of the date of execution of this Lease Amendment.

This Lease Amendment contains **97** pages.

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 
 Signature: _____
 Name: _____
 Title: _____
 Entity Name: ND Properties, Inc.
 Date: 12/9/14

FOR THE GOVERNMENT 
 Signature: _____
 Name: _____
 Title: _____
 Date: 1/27/15
 GSA, Public Buildings Service

WITNESSED FOR THE LESSOR BY:

 Signature: _____
 Name: Carolyn O'Neil
 Title: Administrative Assistant
 Date: 12/9/14

4. Exhibit J to the Lease, GSA Form 1217 – Lessors Annual Cost Statement, is hereby deleted in its entirety and replaced with the updated Exhibit J, GSA Form 1217 – Lessors Annual Cost Statement, dated December 17, 2014. The updated Exhibit J is attached to this Lease Amendment #3.

5. Section 1.03.A & B, Rent and Other Consideration, are hereby deleted in their entirety and replaced with the following:

1.01 RENT AND OTHER CONSIDERATION (SEP 2012)

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

	FIRM TERM YEARS 1-5 ANNUAL RENT	FIRM TERM YEARS 6-10 ANNUAL RENT	FIRM TERM YEARS 11-15 ANNUAL RENT
SHELL RENT ¹	\$ 1,129,025.33	\$ 1,217,892.33	\$ 1,351,192.83
TENANT IMPROVEMENTS RENT ²	\$ 202,158.29	\$ 202,158.29	\$ 202,158.29
OPERATING COSTS ³	\$ 736,707.43	\$ 736,707.43	\$ 736,707.43
BUILDING SPECIFIC AMORTIZED CAPITAL ⁴	\$ 20,483.45	\$ 20,483.45	\$ 20,483.45
PARKING ⁵	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$ 2,088,374.50	\$ 2,177,241.50	\$ 2,310,542.00

¹Shell rent (Firm Term) calculation: \$12,7047 (Years 1-5, rounded), 13,7047 (Years 6-10, rounded), \$15,2047 (Years 11-15, rounded) per RSF multiplied by 88,867 RSF

²The Tenant Improvement Allowance of \$38.95 per BOASF is amortized at a rate of 0.00 percent per annum over 15 years.

³Operating Costs rent calculation: \$8.29 per RSF multiplied by 88,867 RSF

⁴Building Specific Amortized Capital (BSAC) of \$307,251.80 are amortized at a rate of 0.00 percent per annum over 15 years

⁵Parking costs described under sub-paragraph H below

The Government shall have eighteen and one half (18.5) months of free rent at the beginning of the Firm Term; see Sections 1.04, Broker Commission and Commission Credit, and 7.03, Rent Concessions, for a detailed breakdown of the free rent terms and rent schedule at the beginning of the Firm Term.

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 77,853 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

6. Section 1.04, Broker Commission and Commission Credit, is hereby deleted in its entirety and replaced with the following:

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 01 to 19: Reference Section 7.03

Month 20 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 20th Month's Rent.*

Month 21 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 21st Month's Rent.*

Month 22 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 22nd Month's Rent.*

INITIALS: JF & [Signature]
LESSOR & GOVT

Month 23 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 23rd Month's Rent.*

Month 24 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 24th Month's Rent.*

7. Section 1.07, Documents Incorporated in the Lease, is hereby amended to include Exhibit L to the Lease, Basement Staging and Storage Area. Exhibit L is attached to this Lease Amendment.

8. Section 1.13, Percentage of Occupancy for Tax Adjustment, is hereby deleted in its entirety and replaced with the following:

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Amendment #3, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **28.7423386** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **88,867** RSF by the total Building space of **309,185** RSF.

9. Section 1.15, Operating Cost Base, is hereby deleted in its entirety and replaced with the following:

1.15 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 **\$8.29** per RSF (**\$736,707.43/annum**).

10. Section 7.03, Rental Concessions, is hereby deleted in its entirety and replaced with the following:

7.03 RENT CONCESSIONS

A. The Government shall have eighteen and one half (18.5) months of free rent at the beginning of the Firm Term; this amount is equal to **\$3,219,577.39**. During the aforementioned period of free rent the Government's rent due to the Lessor is **\$0.00**; rents as defined in Section 1.03 of this Lease shall commence in the second half of the nineteenth (19th) month of the Firm Term. The partial payment in the nineteenth (19th) month shall equal **\$87,015.60**.

B. The Government shall have five (5) months of brokers commission credit at the start of first full rent payment in the twentieth (20th) month of the Firm Term; this amount being equal to [REDACTED]. During the aforementioned period of the broker's commission credit the Government's rent due to the Lessor is [REDACTED] *Reference Section 1.04.*

- Month 01 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 02 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 03 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 04 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 05 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 06 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 07 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 08 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 09 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 10 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 11 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 12 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
- Month 13 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00

INITIALS: JF & [Signature]
LESSOR & GOVT

Month 14 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
Month 15 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
Month 16 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
Month 17 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
Month 18 Rental Payment \$174,031.21 minus Free Rent of \$174,031.21 equals \$0.00
Month 19 Rental Payment \$174,031.21 minus Free Rent (1/2 Month) of \$87,015.61 equals \$87,015.60
Month 20 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
Month 21 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
Month 22 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
Month 23 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
Month 24 Rental Payment of \$174,031.21 minus prorated Commission Credit of [REDACTED] equals [REDACTED]

11. Section 7.06, Modified Clauses, #1, Section 1.02, Express Appurtenant Rights, Paragraph C, is hereby added to this Section in order to convey an additional express appurtenant right to the Government as an amenity of the Building:

C. Basement Staging and Storage Area: Space located on the basement level of the Building, as depicted by an asterisk (*) and highlighted in yellow on the floor plan attached hereto as Exhibit L to the Lease, in the amount of approximately 1,273 BRSF for the purposes of loading and unloading shipments that arrive through the loading docks and for any and all needs the Government has for storage of files, together with the right to access and use at all times during the term of this Lease. Any build-out or space alterations necessary to accommodate the government's use of this space shall require the approval of the building owner and be at the government's sole cost and expense.

INITIALS: JF LESSOR & AP GOV'T