

**LEASE NO. GS-11P-LVA12710**

Standard Lease  
GSA FORM L201C (May 2015)

This Lease is made and entered into between

**Polk and Taylor Property, LLC**

(Lessor), whose principal place of business is 200 State Street, 5<sup>th</sup> Floor, Boston, MA 02109, 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

**2521 South Clark Street, Arlington, VA 22202**

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**

To Have and To Hold the said Premises with its appurtenances for the term beginning September 15, 2015 and continuing for a period of

**10 Years Firm,**

subject to termination and renewal rights (if any) as may be hereinafter set forth.

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 effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR  
Name:  
Title:  
Entity Name: Polk and Taylor Property LLC

Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service

Date: 8/25/15

Date: 8/4/15

W  
Name:

Title: VICE CHAIRMAN  
Date: 8 25 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: 353,631 rentable square feet (RSF), yielding 321,252 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the entirety of the first (1<sup>st</sup>) through twelfth (12<sup>th</sup>) floor(s) 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 10 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.

C. Condition of Premises: 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.

**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: The entirety of the parking garage for the Building, 406 parking spaces, as depicted on the plans attached hereto as Exhibit B, all of which shall be structured inside spaces for the non-exclusive use of the Government. The Government shall have the ongoing right to fully control and secure the building parking garage, provided that the Government remains the sole tenant of both the James K. Polk and Zachary Taylor Buildings throughout the term of the Lease. Eleven (11) of the parking spaces, as depicted on the plan attached hereto as Exhibit B, shall be reserved and included in the shell rental consideration and the remainder of the parking spaces shall be priced in accordance with Lease Paragraph 1.03.H.

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. The Government's right to affix security, communications equipment, and antennae or similar equipment to the roof, parapet or Building envelope shall be at no additional cost to the Government, but shall be subject to space availability and code compliance, and the Government agrees to cooperate with Lessor with respect to all aspects of such placements on the rooftop. Installation and use of such equipment shall be subject to receipt of all required governmental approvals and shall not interfere with the Building's systems. The Government shall pay any out-of-pocket or third party costs incurred by Lessor in connection with the Government's use of the roof.

**1.03 RENT AND OTHER CONSIDERATION (APR 2015)**

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

	<b>FIRM TERM</b>
	<b>ANNUAL RENT</b>
SHELL RENT <sup>1</sup>	\$10,226,399.75
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$0.00
OPERATING COSTS <sup>3</sup>	\$2,175,604.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	\$1,124,382.00
PARKING <sup>5</sup>	\$0.00
<b>TOTAL ANNUAL RENT</b>	<b>\$13,526,385.75</b>

<sup>1</sup>Shell rent calculation:  
(Firm Term) \$28.92 per RSF multiplied by 353,631 RSF (Rate is rounded)  
<sup>2</sup>There shall be no Tenant Improvement Allowance.  
<sup>3</sup>Operating Costs rent calculation: \$6.15 per RSF multiplied by 353,631 RSF (Rate is rounded)  
<sup>4</sup>Building Specific Amortized Capital (BSAC) of \$11,243,820.00 are amortized at a rate of 0 percent per annum over 10 years  
<sup>5</sup>Parking costs described under sub-paragraph H below

<sup>6</sup>The Lessor shall provide the Government with rental abatement equal to a monetized value of \$11,468,725.70. This abatement shall be applied as a credit against the Total Annual Rent beginning with the first rent due and continuing until exhausted. This equates to an abatement of the full first ten (10) months of Total Annual Rent, and approximately \$196,737.58 of the Total Annual Rent in month eleven (11). The Government shall pay the rent due for the remainder of month eleven (11) prior to application of the Commission Credit outlined in Lease Paragraph 1.04. The Government shall have the right to convert all or a portion of such abatement to pay for improvements to the Premises.

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 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 321,252 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 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 by the Lessor in 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 \$133 per parking space per month for unreserved spaces, and \$267 per parking space per month for reserved spaces. Parking costs shall be adjusted annually by 3%. Parking is not a part of this Lease agreement and will be paid for separately by a service contract or by individuals, with the exception of the 11 reserved spaces outlined above which are to be part of the rental consideration.

**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 full 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 full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 12 Rental Payment \$1,127,198.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 12<sup>th</sup> Month's Rent.\*

Month 13 Rental Payment \$1,127,198.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 13<sup>th</sup> Month's Rent.\*

Month 14 Rental Payment \$1,127,198.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 14<sup>th</sup> Month's Rent.\*

Month 15 Rental Payment \$1,127,198.81 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 15<sup>th</sup> Month's Rent.\*

\* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

**1.05 ~~TERMINATION RIGHTS (AUG 2014)~~ INTENTIONALLY DELETED**

**1.06 ~~RENEWAL RIGHTS (SEP 2013)~~ INTENTIONALLY DELETED**

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (APR 2015)**

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	12	A
PARKING PLAN(S)	4	B
SECURITY REQUIREMENTS	13	C
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	2	D
GSA FORM 3517B GENERAL CLAUSES	46	E
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	2	F
SMALL BUSINESS SUBCONTRACTING PLAN	12	G

**1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)**

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$0.00 per ABOA SF. 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) INTENTIONALLY DELETED**

**1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)**

For pricing TI costs, the following rates shall apply for an alteration project of \$1,000,000 or less, consisting of typical office space completed during the term of the Lease.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$3.75*
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	6%
GENERAL CONDITIONS FEE (% OF TI CONSTRUCTION COSTS)	8%
GENERAL CONTRACTOR'S FEE (% OF TI CONSTRUCTION COSTS)	5%

\* = With a minimum \$12,000

For pricing TI costs, the following rates shall apply for an alteration project of over \$1,000,000, consisting of typical office space completed during the term of the Lease.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	\$3.75*
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	4%
GENERAL CONDITIONS FEE (% OF TI CONSTRUCTION COSTS)	6%
GENERAL CONTRACTOR'S FEE (% OF TI CONSTRUCTION COSTS)	4%

\* = With a minimum \$12,000

**1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)**

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$35.00 per ABOA SF. 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.
- 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.

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 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 353,631 RSF by the total Building space of 353,631 RSF.

**1.14 ~~REAL ESTATE TAX BASE (SEP 2013)~~ 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 \$6.15 per RSF (\$2,175,604/annum, rate is rounded).

**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 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 \$3.05 per RSF of Space vacated by the Government. If the Government fails to occupy or vacates an entire floor 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 \$2.05 per RSF of Space vacated by the Government. If the Government fails to occupy or vacates a portion of the Premises less than one (1) floor but greater than 25,000 RSF 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 \$1.55 per RSF 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:"

- \$84.70 per hour per floor for the first (1<sup>st</sup>) floor
- \$11.55 per hour per floor for each additional floor
- Rates shall be adjusted annually by 2.5%
- Overtime HVAC shall be ordered in full hour increments
- Overtime HVAC shall be required in four (4) hour increments on Saturday, Sunday and Federal Holidays.

**1.18 24-HOUR HVAC REQUIREMENT (SEP 2014)**

The Premises contain supplemental above standard equipment to this Lease that require 24/7 operation. The cost for electricity associated with operating this equipment will be separately metered and reimbursed by the Government, and is not to be included in the monthly operating costs. If the Government installs any additional above standard equipment, the Lessor will submeter the equipment at its sole cost and expense to capture electrical consumption, and the Government shall reimburse the Lessor for the actual cost of this service.

The Government will be responsible for the cost and expense to maintain, repair and replace the above standard equipment. The Government may elect to have the Lessor maintain, repair and/or replace this equipment, at the Government's sole cost and expense, through either a Lease Amendment or a separate outside service agreement to be negotiated between the Lessor and the Government.

**1.19 BUILDING IMPROVEMENTS (SEP 2012)**

In coordination with the Government to gain access to the spaces necessary to complete such work, the Lessor shall complete the following additional Building Improvements at its sole cost and expense within 120 days after receipt of a Notice to Proceed from the Government:

- A. As described below, those findings identified on page 11 in the Aon Fire Protection Engineering Corporation Fire Protection and Life Safety evaluation dated July 14, 2015.
  1. Provide stairway pressurization for stairs A and B.
  2. The two stairwell exits in the building are separated by approximately 90 feet measured in a straight line. Re-arrange so the exits are separated by more than 100 feet (one-third of the 300 foot building diagonal dimension).
- B. Notwithstanding anything to the contrary in this Lease, the provisions of Section 4.14 shall not apply with respect to the additional Building improvements set forth in this Section 1.19.

**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.