

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE **MAY 17 2001** LEASE #GS-11B-01307 "neg"

THIS LEASE, made and entered into this date between **L601, LLC**
whose address is:

**c/o Lowe Enterprises Mid-Atlantic
1945 Old Gallows Road, Suite 210
Vienna, VA 22182**

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of approximately 200,841 BOMA rentable square feet (such yielding 178,304 ANSI/BOMA Office Area square feet (aka: BOMA Office usable square feet)) located on full floors 1 through 7 of the building located at 601 New Jersey Avenue, NW, Washington, DC 20001-2021,

to be used for SUCH PURPOSES AS DETERMINED BY THE GOVERNMENT. (See Attachment 1 – ANSI/BOMA Office Area Summary and floor plans of the leased premises)

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the TEN YEAR FIRM term beginning on (see Paragraph 6K below) through (see Paragraph 6K below), ~~subject to termination and renewal rights as may be hereinafter set forth.~~

3. The Government shall pay the Lessor annual rent of:

\$7,595,750.00 at the rate of \$632,979.17 per MONTH in arrears, subject to adjustments as may be hereinafter set forth, for the term of the lease. Beginning on the first day of the second year of the Lease and thereafter on the first day of every succeeding year of the Lease Term, with the sole exception of the sixth year, the total annual rent (inclusive of shell rent which includes the base real estate taxes, the amortized tenant improvement allowance, and the base operating expenses) then in effect shall be escalated at 1.5%. In addition, on the first day of the sixth year of the Lease Term, the total annual rent then in effect shall be increased by a fixed amount ("bump") of \$1.13/BOMA Office Usable square foot (or the equivalent of \$1.00/BOMA rentable square foot). The rent bump in year 6 is in lieu of the 1.5% annual rent escalation. (See Attachment 2 – Rent Schedule.)

The rents shall be in addition to Operating Expense Adjustments and Tax Adjustments provided during the Lease term as per the attached Solicitation for Offers. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: L601, LLC, c/o Lowe Enterprises Mid-Atlantic, 1945 Old Gallows Road, Suite 210, Vienna, Virginia 22182.

~~4. The Government may terminate this lease at any time on or after _____ by giving at least _____ days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

~~5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~Such option shall become effective provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

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I. Pursuant to Paragraph 3.1 "Unit Costs" the agreed upon unit costs are the following: (Note: Unit costs exclude architectural/engineering fees that may be necessary to complete work.)

- | | |
|---------------------------------------------------------------------------------------|-------------|
| 1 The cost per linear foot of finished, office subdividing ceiling-high partitioning. | ██████/lf |
| 2 The cost per linear foot of finished, slab-to-slab partitioning. | ██████/lf |
| 3 The cost per floor mounted, 120-volt duplex electrical outlet. | TBD |
| 4 The cost per wall mounted, 120-volt duplex electrical outlet. | ██████/each |
| 5 The cost per floor mounted fourplex (double duplex) electrical outlet. | TBD |
| 6 The cost per wall mounted fourplex (double duplex) electrical outlet. | ██████/each |
| 7 The cost per dedicated, 120-volt duplex clean electrical computer receptacle. | ██████/each |
| 8 The cost per floor mounted telephone outlet. | TBD |
| 9 The cost per wall mounted telephone outlet. | ██████/each |
| 10 The cost per interior solid core door. | ██████/each |
| 11 The cost per square yard of carpet tile. | ██████/sy |
| 12 The cost per square foot of resilient flooring. | ██████/\$fy |

J. The space shall be constructed in accordance with the design and construction schedule prepared in accordance with Paragraph 3.16 "Project Schedule." The start date for the initial task (Blocking and Stacking) shall commence upon the full execution of this Lease. All subsequent tasks/events, including the acceptance of space by the Government, shall adjust accordingly with the durations remaining the same. The Lessor or the Government may mutually agree to accelerate the duration required to complete any item on the schedule, and the entire schedule shall accelerate.

K. It is agreed that the space shall be altered by the Lessor in accordance with the specifications approved by the Government and delivered on July 1, 2002. Occupancy and lease and rent commencement shall be subject to the Government's inspection and acceptance of the leased premises and Paragraph 3.17 "Delivery Schedule of Tenant Improvements."

L. Pursuant to Paragraph 7.3 "Overtime Usage", the rate for overtime HVAC service to the premises governed by this Lease shall be \$16.00 per hour per zone (2 zones per floor). Notwithstanding the hours of HVAC service, the Government shall have the right to occupy and use the subject leased premises at any time on any day throughout the lease term. Such use/occupancy may include, but shall not be limited to, full access to the premises and appurtenant areas as well as the use of business machinery within the premises.

M. The Lessor shall furnish to Government's employees the continuous right throughout the Lease term upon 30 days prior written notice to lease on a month-to-month basis up to 1 non-reserved parking space per 1,300 BOMA rentable square feet leased (154 spaces) in the building's parking garage. Spaces shall be available at a rate of \$185.00 per month per space. This rate shall escalate annually at a rate of 2.75%. Payment for such parking spaces shall be made separately from this Lease. If the Government were to lease all of the office space in the building, Lessor may lease the entire parking garage to the Government on mutually agreeable terms and conditions.

N. Lessor, at the Government's election, shall provide a shuttle for 12 hours per day every normal workday between 600 New Jersey Avenue, NW and FTC headquarters and metro stops for an additional cost. The costs shall be additional annual rental of \$0.55 per BOUSF with corresponding increases in the operating costs contained in line 26 of Standard Form 1217. This cost of the shuttle and corresponding increase in the rent shall also be subject to the same annual rental increase of 1.5% as the remainder of the annual rent. If the Government elects to utilize the shuttle, the schedule of service shall be mutually agreed upon. Shuttle service is cancelable at the sole discretion of the Government at a mutually agreed upon date.

O. In the case of discrepancies between this SF2 and its attachments, this SF2 shall govern.

7. The following are attached and made a part hereof:
- A. Attachment 1 – ANSI/BOMA Office Area Summary and floor plans of the leased premises – 8 Pages
 - B. Attachment 2 – Rent Schedule
 - C. Solicitation for Offers #01-015 Dated 4/30/01 (Revised to include Amendments 1-4) – 37 Pages
 - D. GSA Form 3517 – 26 Pages
 - E. GSA Form 3518 – 4 Pages
 - F. GSA Form 1217 "Lessor's Annual Cost Statement" – 1 Page
 - G. Fire Protection & Life Safety Evaluation – 11 Pages
 - H. Small Business Subcontracting Plan – 7 Pages

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8. The following changes were made in this lease prior to its execution:

A. Paragraphs 4 and 5 have been deleted in their entirety.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: L601, LLC, a Delaware Limited Liability Company, By: New Jersey Investments, Inc., A Delaware Corporation Managing Member, By: Michael S. Balaban, Vice President

BY *M. Balaban*

IN PRESENCE OF *Neil D. Levy* ADDRESS *607-18th St, N.W., Washington, DC*

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION

BY *Noreen Freeman*
MS. NOREEN FREEMAN, CONTRACTING OFFICER

LESSOR *NB* GOV'T *NF*

EXCEPTION TO SF2 APPROVED GSA/IRMS 12D89