

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE **JUN 25 2010**

LEASE # GS- 11B- 02196

THIS LEASE, made and entered into this date by and between Sentinel Square I, LLC, whose address is:

Sentinel Square I, LLC  
c/o Trammell Crow Company  
1055 Thomas Jefferson Street, NW  
Suite 600  
Washington, DC 20007  
Attn: Thomas E. Finan

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 consideration hereinafter mentioned, covenant and agree as follows:

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

A total of 85,000 BOMA rentable square feet (BRSF) equivalent to 73,226 ANSI/BOMA Office Area square feet (BOASF) of office and related space comprising a portion of the second and sixth floors and the entire fourth and fifth floors, as shown on the plan attached as Exhibit A and made part hereof, as well as eighteen (18) structured secured, reserved parking spaces for Official Government Vehicles as shown on Exhibit B, in the building located at 90 K Street, NE, Washington, DC 20002-4217.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a ten (10) year firm term, beginning on the commencement date determined in accordance with paragraph 5.11 of the SFO. The parties will execute a Supplemental Lease Agreement after the commencement date to confirm the commencement and expiration dates of the lease term. The lease is subject to renewal and termination rights, hereinafter set forth.
3. The Government shall pay the Lessor the annual rent of \$3,442,354.26 (\$40.50 per BRSF or \$47.01 per BOASF) at the rate of \$286,862.88 per month in arrears for years one through ten. Rent for a lesser period shall be prorated. Notwithstanding the foregoing, the rent shall be fully abated for the first twelve (12) months of the lease. The annual rent shall include the operating expense and real estate tax base during the lease term as per the attached Solicitation for Offers. Rent checks shall be made payable to: Sentinel Square I, LLC, c/o Trammell Crow Company, 1055 Thomas Jefferson Street, NW, Suite 600, Washington, DC 20007, or in accordance with the provision on electronic payment of funds.
4. Commission and Commission Credit – The Lessor has agreed to pay a lease commission of [REDACTED] of the firm term value of this lease, payable in accordance with SFO Number 9DC2394. The total amount of the Commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, the Government's Broker (CB Richard Ellis, Inc.) shall forego [REDACTED] of the Commission ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker, in accordance with the "Broker Commission and Commission Credit" paragraph in SFO Number 9DC2394, as well as the agreement between the Lessor and the Broker dated January 26<sup>th</sup>, 2010.

Notwithstanding Paragraph 3 of this Standard Form 2, the monthly installments of annual rent due under this lease for the thirteenth (13<sup>th</sup>) and fourteenth (14<sup>th</sup>) months of the Lease term shall be reduced as follows to fully recapture this Commission Credit. Because the Commission Credit total is [REDACTED] the credit for the thirteenth (13<sup>th</sup>) month shall be [REDACTED] and thus the rent due for the thirteenth (13<sup>th</sup>) month shall be \$105,622.91 and the credit for the fourteenth (14<sup>th</sup>) month shall be [REDACTED] and thus the rent due for the fourteenth (14<sup>th</sup>) month shall be [REDACTED].

5. The lease may be renewed at the option of the Government for a period of six (6) years, to be exercised at the Government's discretion. In accordance with Paragraph 1.3 of the SFO, the Government must exercise the option not earlier than three hundred sixty (360) days and not later than two hundred seventy (270) days before expiration of the initial term. The Government shall pay rent in the amount of \$4,321,066.26 per annum (\$50.84 per SF/ \$59.01 BOASF) payable at the monthly rate of \$360,088.86 in arrears. Accumulated operating expense adjustments from the initial 10 year firm term shall be added to the Annual Rent for this renewal term. Rent shall continue to be adjusted for operating cost escalation and the Government shall continue to pay real estate tax adjustments as provided in SFO Number 9DC2394. All other terms and conditions of this lease shall remain the same during any renewal term.

At any time after the fifteenth (15<sup>th</sup>) year anniversary of the lease commencement date, the Government may elect to terminate the lease with no penalty by providing three hundred sixty (360) days advance notice to Lessor. The Government shall timely execute a Supplemental Lease Agreement for the termination, representing full and final payment with the Lessor prior to the end of the termination of the Lease. The Government's termination option is penalty free and shall not accrue rental obligation or liquidated damages as a result thereof on or after the effective date of the termination.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- A) All services, improvements, alterations, repairs, and utilities as defined by this lease.
  - B) In the event Government vacates any portion of the leased premises, the rent for such space shall be adjusted downward by \$4.64 per BOASF per annum following proper notice from the Government in accordance with SFO Number 9DC2394 Paragraph 4.4.
  - C) The annual rent set forth in Paragraph 3 of the Standard Form 2 shall include a Tenant Improvement Allowance of \$42.08 per BOASF (\$3,081,350.08) to be applied toward tenant improvements, cabling, or move related expenses. This allowance shall be amortized into the base rent at 0% interest at the rate of \$3.63 per BRSF per annum or \$4.21 per BOASF per annum. Any unused portion of this allowance will be applied toward abated rent in accordance with paragraph 3.3 of the SFO. Lessor shall not be required to provide Government with any additional tenant improvement allowances should the actual cost of Government's tenant improvements exceed the Tenant Improvement Allowance. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement Allowance utilized. All work must be completed by the Lessor in accordance with the design and construction schedule in section 5.11 of the SFO. Government hereby agrees to provide Lessor with a final approved Program of Requirements, from which Lessor can produce Design Intent Drawings, no later than 30 days after lease award.
  - D) Pursuant to Paragraph 4.2 of SFO Number 9DC2394, the Government's percentage of Occupancy is 20.60% for tax purposes, as calculated: 85,000 BRSF/412,661 BRSF.
  - E) Pursuant to Paragraph 4.1 of SFO Number 9DC2394, the "Common Area Factor" is calculated to be 1.16078 as calculated: 85,000 BRSF/73,226 BOASF.
  - F) The base amount for annual operating costs adjustments is \$584,006.10 (\$6.87 per BRSF/\$7.97 per BOASF), which shall be adjusted annually by the CPI in accordance with Paragraph 4.3 of SFO Number 9DC2394.
  - G) The Real Estate Tax base for the purpose of adjustments shall be the Real Estate Taxes for the property for the first full tax year for which the Real Estate Taxes are based upon a Full Assessment. Real Estate Tax payments shall be adjusted annually in accordance with paragraph 4.2 of SFO Number 9DC2394.
  - H) Notwithstanding anything in SFO Number 9DC2394 or the attachments thereto to the contrary, the rate for overtime HVAC services shall be twenty dollars (\$20.00) per floor per hour for the first two hundred (200) hours. Thereafter, the overtime HVAC services shall be twenty-five dollars (\$25.00) per floor per hour.
  - I) Pursuant to paragraph 1.1(B) of SFO Number 9DC2394, the eighteen (18) structured secured, reserved parking spaces discussed in Paragraph 1 of this Standard Form 2 shall be at no additional charge to Government. The cost for Unreserved Parking for the Government occupants shall be at the prevailing market rate of one hundred and eighty dollars (\$180.00) per space per month.

- J) All janitorial services outlined in paragraph 4.9 of SFO Number 9DC2394, shall be performed during Normal Hours as defined in SFO 9DC2394, Paragraph 4.5, at no additional cost to the Government.
- K) Pursuant to Paragraph 3.2 of the SFO, the Tenant Improvement Allowance will include the following fees: 1) for standard office build-out, the General Contractor's total fees for over head and profit shall not exceed 5% and the General Contractor's fees for general conditions shall not exceed 2%. The Lessor's total Project Management fees shall not exceed 3%.
- L) The Lessor, at its sole cost, shall complete all of the correction items outlined on the Final Fire Protection and Life Safety Report.
- M) Cleaning shall be provided Monday – Friday, holidays excepted, between 7:30 am and 5:30 pm.
- N) If there is any conflict between this SF-2 and the balance of the Lease, the terms specified in this SF-2 shall govern.

The following are attached and made a part hereof:

- 1. Exhibit A – Floor plan of leased area, 4 pages;
- 2. Exhibit B – Location of 18 reserved parking spaces for Official Government Vehicles, 1 page
- 3. Solicitation for Offers # 9DC 2394, 62 pages;
- 4. Rider #1-Fire Protection and Life Safety, 1 page;
- 5. Amendment Number One, 1 page;
- 6. Amendment Number Two, 1 page,
- 7. Amendment Number Three, 1 page;
- 8. Security Unit Price List, 2 pages;
- 9. Certification of Seismic Compliance, 2 pages
- 10. Fire Protection & Life Safety Evaluation, 14 pages;
- 11. Pre-Lease Security Plan, 12 pages;
- 12. GSA Form 1217, Lessor's Cost Statement, 1 page;
- 13. GSA Form 1364, 2 pages;
- 14. GSA Form 3517B, General Clauses, 33 pages;
- 15. GSA Form 3518, Representations And Certifications, 8 pages;
- 16. Small Business Subcontracting Plan, 13 pages.

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

By: Sentinel Square I, LLC, a Delaware limited liability company

By: TC 90 K Street LLC, a Delaware limited liability company, its manager

By: TC MidAtlantic Development III, Inc., a Delaware corporation, its sole member

By

Thomas E. Finan, Senior Vice President

(Address)

1055 THOMAS JEFFERSON STREET, NW, #600  
WASHINGTON, DC 20007

Date: 4/26/10

IN PRESENCE OF:

  
(Signature)

1055 Thomas Jefferson Street NW, Suite 600  
Washington DC 20007  
(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

BY

Kevin Terry

Contracting Officer

(Official title)

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