

LEASE NO. GS-11P-LDC00258

Global Lease
GSA FORM L100 (03/2016)

This Lease is made and entered into between

School Street Associates Limited Partnership

(Lessor), whose principal place of business is 2200 Pennsylvania Avenue, NW, Suite 200W, Washington, DC 20037-1731, 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 a portion of the Property located at

500 E Street, SW, Washington, DC 20024-2760

and more fully described in Section 1 and Exhibit **A and B**, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon **August 11, 2017** and continuing for a period of

15 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 THE LESSOR:

SCHOOL STREET ASSOCIATES LIMITED PARTNERSHIP, a District of Columbia limited partnership

By: BP/DC REIT LLC, a Delaware limited liability company, its general partner

By: BP/DC Properties, Inc. a Maryland corporation, its managing member

By: 
Raymond A. Ritchey, Senior Executive Vice President

Date: NOVEMBER 23, 2016

FOR THE GOVERNMENT:


Name: Theresa Singleton

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: December 15, 2016

WITNESSED FOR THE LESSOR BY:


Name: Jonathan L. Kaylor

Title: Senior Vice President

Date: NOVEMBER 23, 2016

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 (SEP 2015)

The Premises are described as follows:

A. Office and Related Space: **206,035** rentable square feet (RSF), yielding **178,015** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the entirety of floors 1-7 and a portion of floor LL of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A. The foregoing measurements have been mutually agreed and shall not be subject to re-measurement.

B. Common Area Factor: The Common Area Factor (CAF) is established as **15.74** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest hundredth percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

C. The Government currently occupies the foregoing Premises under Lease No. GS-11B-70314, which expires on August 10, 2017. The Government hereby accepts the Premises and tenant improvements in their existing condition and configuration, and this replacement Lease shall commence on August 11, 2017, which is a firm, fixed date. The Lessor shall not be required to provide a certificate of occupancy as a condition of lease commencement. Notwithstanding such acceptance and lease commencement, the Lessor shall remain responsible for compliance with specifications or standards contained elsewhere in this Lease and for the Lessor responsibilities set forth in Paragraphs 1.18, 7.02, 7.03, 7.04, and 7.05 below. 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 services, utilities, cleaning, janitorial, maintenance, repair, and replacements as set forth in the Lease paragraphs and attached General Clauses. It is understood that this lease does not include either a Tenant Improvement Allowance or BSAC Allowance. Accordingly, except for the Lessor responsibilities set forth in Paragraphs 1.18, 7.02, 7.03, 7.04, and 7.05 below, the Government shall be solely responsible for the design and construction costs of any tenant improvements and security improvements that the Government elects to make to the premises, as well as the cost of any base building alterations necessitated solely by such tenant improvements and security improvements.

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: **2** parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which **2** shall be structured/inside parking spaces, and **0** shall be surface/outside parking spaces. Additional parking may be purchased at the Lessor's then current market parking rates for reserved and non-reserved parking. All parking in the building garage shall be restricted to monthly parking by individuals with a Federal PIV (Personal Identification Verification) that is HSPD-12 compliant regardless of whether they are building tenants or are tenants of the building with proper identification.

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, but shall be subject to space availability, code compliance, government approvals, screening and aesthetic requirements and the right of other tenants (if any), and shall not interfere with the Building's systems or warranties.

1.03 RENT AND OTHER CONSIDERATION (SEP 2015)

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

	FIRM TERM
	ANNUAL RENT
SHELL RENT ¹	\$7,272,341.06
TENANT IMPROVEMENTS RENT ²	\$0.00
OPERATING COSTS ³	\$1,885,914.69
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00
PARKING	\$0.00
TOTAL ANNUAL RENT	\$9,158,255.75

¹Shell rent calculation.

(Firm Term) \$35.2966295 per RSF multiplied by 206,035 RSF

²Tenant Improvements of \$0.00 are amortized at a rate of 0 percent per annum over 15 years.

³Operating Costs rent calculation: \$9.1533705 per RSF multiplied by 206,035 RSF

⁴Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of 0 percent per annum over 15 years

B. 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.

C. INTENTIONALLY DELETED

D. INTENTIONALLY DELETED

E. INTENTIONALLY DELETED

F. If the Government leases the Premises for less than the full calendar month at the beginning or the end of the lease term, then rent shall be prorated for such partial months based on the actual number of days the lease is in effect for such months.

G. 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 and active in SAM.

H. 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, provided such work is specifically required to be provided at Lessor's cost and expense by the terms of this Lease.

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.

I. INTENTIONALLY DELETED

J. In accordance with the Lease negotiations, the Lessor has offered free rent to the Government in the total amount of \$6,359,277.88. Therefore, the full service rent shall be abated in its entirety from the commencement date of the Lease until such free rent is exhausted. At the monthly rental of \$763,187.98 this is equivalent to approximately the first 8.3 months of rental payments due.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015)

A. **Savills Studley, 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 **Savills Studley, 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. Month 10 rental payment shall be adjusted as follows:

Month 10 total monthly Rental Payment of **\$763,187.98** less the Commission Credit of [REDACTED] equals an adjusted Month 10 rental of [REDACTED] *
* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 ~~TERMINATION RIGHTS (AUG 2011)~~ INTENTIONALLY DELETED

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

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2015)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	8	A
PARKING PLAN(S)	2	B
LESSOR'S BAR RESPONSE	8	C
SECURITY REQUIREMENTS	13	D
GSA FORM 3517B GENERAL CLAUSES	15	E
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	4	F
SMALL BUSINESS SUBCONTRACTING PLAN	11	G

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

A. 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.

B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA 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 lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

D. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.09 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

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

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$0.00** 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.

1.11 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. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

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.

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.

1.12 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 **78.35** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **206,035** RSF by the total Building space of **262,959** RSF.

1.13 ~~REAL ESTATE TAX BASE (SEP 2013)~~ INTENTIONALLY DELETED

1.14 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 **\$9.1533705** per RSF (**\$1,885,914.69**/annum).

1.15 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 or any portion of the 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 **\$0.00** per ABOA SF if the Government vacates less than a contiguous half floor of Space, **\$1.50** per ABOA SF if the Government vacates at least a contiguous half floor of Space, **\$2.00** per ABOA SF if the Government vacates a full floor of Space, and **\$2.50** per ABOA SF if the Government vacates the entire leased Premises.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- **\$38.00** per hour per floor (such rate shall escalate each year during the term of the Lease commencing with the second year by the percentage change in the CPI during the preceding 12 month period).

1.17 24-HOUR HVAC REQUIREMENT (SEP 2014)

- A. Portions of the Space with dedicated/self-contained HVAC shall receive cooling at all times (24 hrs a day, 365 days a year). To the extent not already installed, the Lessor shall provide and install separate meters or submeters as a tenant improvement cost as necessary to track the actual electricity consumed to operate and cool such areas and the Government shall pay the actual cost of such electricity separate and apart from the rental payment set forth in Paragraph 1.03 above.
- B. The Lessor shall submit monthly invoices, in arrears, for this cost to the LCO or the LCO's designated representative at the address below:

Theresa Singleton
301 7th Street, SW
Room 3660
Washington, DC 20407
- C. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.18 BUILDING IMPROVEMENTS (MAR 2016)

The Lessor shall complete the following additional Building improvements, at its sole cost and expense:

- A. Lessor shall provide and install new paint and carpet tile throughout the Government leased Premises as and when set forth in Paragraph 7.02 below.
- B. Prior to lease commencement, Lessor shall provide and install new electric vehicle charging stations as set forth in Paragraph 7.03 below.
- C. Prior to lease commencement, Lessor shall provide and install new bicycle racks as set forth in Paragraph 7.03 below.
- D. Lessor shall complete Lessor's BAR Work as and when set forth in Paragraph 7.05 below.

1.19 ~~HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)~~ INTENTIONALLY DELETED