

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES ADMINISTRATION
(FPR 41 CFR) 101-11.6

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE **APRIL 8, 2011**

LEASE # **GS-11B-02277**

THIS LEASE, made and entered into this date between: BETHESDA CRESCENT (WISCONSIN) CO. L.P.

Whose address is: c/o Brookfield Properties
750 9th Street NW, Suite 700
Washington, DC, 20001-4590

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 **11,927** BOMA Rentable Square Feet (BRSF) [yielding **10,344** ANSI BOMA Office Area Square Feet (BOASF)] of office and related space, consisting of the entire 7th floor and being Suite 700, in the office building known as Bethesda Crescent, located at 7475 Wisconsin Avenue, Bethesda, Maryland, 20814 - 3497, to be used for office and related purposes as determined by the Government (Refer to "Exhibit A" for a floor plan).

2. TO HAVE AND TO HOLD said premises with their appurtenances for a Five (5) Year Firm term beginning on the lease commencement date determined in accordance with section 3.17 "Construction Schedule of Tenant Improvement" of the SFO, and ending five (5) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay Lessor a total annual rent of **\$538,612.08 (\$52.07/BOASF)** at the rate of **\$44,884.34** per MONTH paid in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of **\$134,368.56** equal to **\$12.99/BOASF (\$12.13/BOASF + \$0.86/BOASF for daytime cleaning)**, base year real estate taxes, and **\$41,376.00** to amortize a tenant improvement allowance of **\$206,880.00 (\$20.00 /BOASF)** at zero percent (0%) annual interest. The operating cost base includes the daytime cleaning premium of **BOASF**. Payment of CPI adjustments on operating costs and adjustments for real estate taxes shall be made by the Government in accordance with SFO #07-015. Rent checks shall be made payable to: Bethesda Crescent Wisconsin Sub LLC and paid as follows: (a) if by wire: **Account #:** **Account Name:** **;** (b) if by overnight delivery: Bethesda Crescent Wisconsin Sub LLC, Lockbox Number 823610, Route 38 & East Gate Drive, Moorestown, NJ 08057, or (c) if by U.S. Mail: Bethesda Crescent Wisconsin Sub LLC, P.O. Box 823610, Philadelphia PA 19182-3610.

The Government's percentage of occupancy for real estate tax purposes shall be **9.27%** based on **11,927 RSF /128,703 RSF**, subject to confirmation of the total rentable area of the building.

4. The Government may terminate this lease at any time 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 day of mailing.

5. The Government shall have the right to one (1) lease renewal option for a five (5) year firm term at an annual rental rate **\$626,018.88 (\$60.52/BOASF)** at the rate of **\$52,168.24** per month in arrears, plus cumulative and continuing operating expense adjustments from the initial lease term (i.e., accrued operating expense adjustments are not included in the specified rental rate for the renewal term). Rent shall continue to be adjusted for operating cost escalations as provided in SFO #07-015. The Government shall continue to make annual lump sum adjustments for changes in real estate taxes as provided in SFO section 3.5, using the base year established for the initial firm term. The renewal option shall become effective provided notice be given in writing to the Lessor at least 180 days before the end of the original lease term. All other terms and conditions of this lease shall remain the same during the renewal term. Said notice shall be computed commencing the day after the date of mailing.

LESSOR GOV'T

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following: EXCEPT AS SET FORTH BELOW OR ELSEWHERE IN THIS LEASE, ALL SERVICES, IMPROVEMENTS, ALTERATIONS, REPAIRS, AND UTILITIES AS DEFINED BY THIS LEASE. THIS LEASE IS FULL SERVICE.

a) FIRE & LIFE SAFETY: Notwithstanding any other provision of the Lease, prior to substantial completion of the leased premises, the Lessor shall correct all deficiencies and comply with all recommendations and findings of the completed Fire Protection & Life Safety Evaluation Report (SFO Attachment #4) prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of Attachment #4 which are set forth in Rider No.2 attached hereto.

b) TENANT IMPROVEMENTS: The annual rental rate recited in paragraph 3 includes amortized Tenant Improvement Allowance (TIA) of \$206,880.00 (\$20.00 / 10,344 BOASF). This TIA is amortized in the rent at an annual interest rate of 0% (zero percent) per annum over the firm term of the lease. The Government shall have the right to repay the TIA via lump sum payment to the Lessor as additional rent. Upon completion of tenant improvements and acceptance thereof by the Government a Supplemental Lease Agreement (SLA) shall be executed by both parties memorializing the amount of tenant improvement funds used by the Government, the payment method and any change in the rental payment.

c) The Government's percentage of occupancy for real estate tax purposes shall be 9.27%, based on 11,927 BRSF/128,703BRSF.

d) Pursuant to paragraph 7.0 of the SFO: services, utilities and maintenance shall be provided daily, extending from 7:00 AM to 6:00 PM, except Saturdays, Sundays and federal holidays. The rate for overtime HVAC service to the premises governed by this lease shall be \$65.00 for the leased premises per hour, beyond normal hour schedule. These rates shall escalate in a manner consistent with, the Operating Cost Escalation, in paragraph's (3.7 & 3.8) of the SFO.

e) DAYTIME CLEANING: The rate for daytime cleaning is [redacted] per BOASF, which is included in the rent and shall take place during normal business hours.

f) The general contractor's total fees for overhead and profit shall be 5%. The total fees for general conditions shall be 5% and the total fees for construction management/coordination fees shall be 10%. Architectural and engineering fees, if any, shall not exceed \$3.50 per BOASF for the included \$20.00/BOASF of Tenant Improvements. Any such fees will be paid for out of the Tenant Improvements allowance. The architectural and engineering fees contained herein are for standard office build-out. Should the Government require architectural or engineering services for above-standard office or specialized areas that exceed \$3.50 per BOASF, then the overage shall be paid for by the Government or out of the Tenant Improvement Allowance.

7. The following are attached and made a part hereof:

- 1) SOLICITATION FOR OFFERS (SFO) #07-015, 52 PAGES
- 2) SECURITY RIDER #1, 1 PAGE
- 3) FIRE & LIFE SAFETY RIDER #2, 2 PAGES
- 4) RIDER #3, 2 PAGES
- 5) ATTACHMENT #1 TO THE SFO, RATE STRUCTURE, 1 PAGE
- 6) ATTACHMENT #2 TO THE SFO, CONSTRUCTION SCHEDULE, 1 PAGE
- 7) ATTACHMENT #3 TO THE SFO, SCOPE OF WORK, 2 PAGES
- 8) ATTACHMENT # 4, FIRE AND LIFE SAFETY REPORT, 13 PAGES
- 9) GSA FORM 1217 LESSOR'S ANNUAL COST STATEMENT, 1 PAGE
- 10) GSA FORM 3517B GENERAL CLAUSES, 33 PAGES
- 11) GSA FORM 3518 REPRESENTATIONS AND CERTIFICATIONS, 7 PAGES
- 12) FLOOR PLAN "EXHIBIT A" 1 PAGE

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

LESSOR: BETHESDA CRESCENT (WISCONSIN) CO. L.P.
By: BETHESDA CRESCENT (WISCONSIN) GP LLC, its general partner

By: [redacted] Title:
Name: [redacted] [redacted]ney
[redacted] Vice President and
Regional Counsel

IN PRESEN

Address 750 9th Street NW, Suite 700, Washington, DC
20001-4590.

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BY

CONTRACTING OFFICER, GSA, NCR,