

# LEASE NO. GS-11B-12583

Standard Lease  
GSA FORM L201C (October 2012)

This Lease is made and entered into between

## Hoffman Block 8 LLC

(Lessor), whose principal place of business is 2034 Eisenhower Avenue, Suite 290, Alexandria, VA 22314, 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

**2401 Eisenhower Avenue, Alexandria, VA 22314**

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 purposes as determined by GSA.

## LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

**15 Years, 15 Years Firm,**

subject to termination rights as may be hereinafter set forth. The commencement date of this Lease shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

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:

Name: **HUBERT N. HOFFMAN, III**

Title: **President**

Entity Name: **Hoffman Development, Inc., Manager of  
Hoffman Block 8 LLC**

Date: **May 23, 2013**

## FOR THE GOVERNMENT:

Name: **JAMES J. PHELAN**

Title: **Lease Contracting Officer**

**General Services Administration, Public Buildings Service**

Date: **6/7/13**

## WITNESSED FOR THE LESSOR BY:

Name: **Laven K. Douglas**

Title: **Vice President and General Counsel**

Date: **May 23, 2013**

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: **660,848** rentable square feet (RSF), yielding **580,485** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on portions of floors 1 and 2 and the entirety of floors 3-19, 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 **1.1384** 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.

### 1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)

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: **6** structured/inside parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, which shall be available for use by official government vehicles.. In addition, Lessor shall provide the Government and its employees the right to purchase additional permits for unreserved parking in the garage of the building as set forth in Section 1.03(H) below. The building shall have parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

### 1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

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

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$17,252,383.12	\$NA
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$ 2,017,175.74	\$NA
OPERATING COSTS <sup>3</sup>	\$ 2,597,133.00	\$ NA
BUILDING SPECIFIC AMORTIZED CAPITAL <sup>4</sup>	\$ 199,168.35	\$ NA
PARKING <sup>5</sup>	\$ 0.00	\$ NA
TOTAL ANNUAL RENT	\$22,065,860.21	\$NA

<sup>1</sup>Shell rent (Firm Term) calculation: \$26,106,431.61 per RSF multiplied by 660,848 RSF

<sup>2</sup>The Tenant Improvement Allowance of \$29,395,760.40 is amortized at a rate of 0.38508237 percent per annum over 15 years.

<sup>3</sup>Operating Costs rent calculation: \$3.93000054 per RSF multiplied by 660,848 RSF

<sup>4</sup>Building Specific Amortized Capital (BSAC) of \$2,902,425.00 are amortized at a rate of 0.38508237 percent per annum over 15 years

<sup>5</sup>Parking costs described under sub-paragraph H below

In instances where the Lessor amortizes either the TI or Building Specific Amortized Capital 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 **580,485** 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 in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

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 (with the exclusion of electricity), maintenance required for the proper operation of the Property, the Building, and the Leased 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. The Government shall be responsible for paying the cost of electricity directly to the utility provider or to the Lessor without markup. The Lessor shall ensure that such utilities are separately (sub)metered. The Lessor shall provide and install as part of shell rent, separate (sub)meters for utilities. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the (sub)meter numbers and verification that the (sub)meters measure Government usage only. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

H. During the term of the Lease, the Government, including Government employees occupying the leased premises, may purchase individual permits separate and apart from the rental due under Paragraph 1.03(A) hereof for up to 375 parking permits in the Block 8 underground parking garage and for up to 727 parking permits in the Block 14 structured parking garage at annual rates of \$1,440.00 (\$120 per month) per unreserved permit. Commencing on the first anniversary of the Lease, and every anniversary thereafter, the foregoing parking rates shall escalate at a rate of 2.5 percent per annum.

#### 1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. 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 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. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$1,838,821.68 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.\*

Month 2 Rental Payment \$1,838,821.68 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> Month's Rent.\*

Month 3 Rental Payment \$1,838,821.68 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3<sup>rd</sup> Month's Rent.\*

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

#### 1.05 INTENTIONALLY DELETED

#### 1.06 INTENTIONALLY DELETED

#### 1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2012)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	11	A
PARKING PLAN(S)	3	B
AGENCY SPECIAL REQUIREMENTS	4	C
SECURITY REQUIREMENTS	10	D
GSA FORM 1217	1	E
GSA FORM 3517B GENERAL CLAUSES	46	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	G
SMALL BUSINESS SUBCONTRACTING PLAN	10	H
PRE-LEASE FIRE PROTECTION AND LIFE SAFETY EVALUATION	10	I
PRE-LEASE BUILDING SECURITY PLAN	9	J
BUILDING NARRATIVE DESCRIPTIONS, SPECIFICATIONS, RENDERINGS AND ELEVATIONS	16	K
LESSOR'S PROPOSED SCHEDULE	2	L

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

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$50.64** 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 based on a 15 year amortization term at an annual interest rate of **0.38508237** percent.

#### 1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

A. 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.

B. 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.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:

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.

#### 1.10 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)	<b>\$1.92</b>
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	<b>0%</b>
GENERAL CONTRACTOR OVERHEAD AND PROFIT (% OF TI CONSTRUCTION COSTS)	<b>6.5%</b>
GENERAL CONDITIONS (% OF TI CONSTRUCTION COSTS)	<b>3.8%</b>

For pricing subsequent tenant improvements, the follow rates shall apply:

	SUBSEQUENT TENANT IMPROVEMENTS
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	<b>3%</b>

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

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$5.00** 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 based on a 15 year amortization term at an annual interest rate of **0.38508237** percent.

**1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2012)**

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 shall have the right to either:

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 (JUN 2012)**

As of the Lease Award Date, the Government's Percentage of Occupancy is **94.40** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **660,848** RSF by the total Building space of **700,043** RSF.

**1.14 INTENTIONALLY DELETED**

**1.15 OPERATING COST BASE (AUG 2011)**

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$3.930000545** per RSF (**\$2,597,133.00/annum**).

**1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)**

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 leased 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 **\$4.00** per ABOA SF of Space vacated by the Government.

**1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)**

Because this Lease is net of electric, the Government shall, upon request, be entitled to heating and cooling services beyond normal hours without payment of any overtime fees.

**1.18 24-HOUR HVAC REQUIREMENT (APR 2011)**

If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided and maintained at all times by supplemental Computer Room Air Conditioning (CRAC) units or other separately zoned and dedicated HVAC system(s), which units shall be provided at the Government's expense. All CRAC units shall operate independently of the building HVAC system. CRAC units must be capable of providing their own coolant and must not use the building-wide HVAC system's chilled water. At a minimum, such 24-hour HVAC service shall be required for the Technology Distribution Center, CERs, and telecommunications point-of-entry rooms.

**1.19 BUILDING IMPROVEMENTS (SEP 2012)**

Before the Government accepts the space, the Lessor shall complete the following additional Building improvements at Lessor's sole cost and expense:

- A. The base building design and construction shall meet or exceed the requirements of this GSA Form L201C without exception and, in addition, shall result in a quality of building architecture, building systems, construction, and finishes and a level of planning efficiency and flexibility in accordance with the narrative descriptions, specifications, renderings and elevations set forth in Exhibit K hereto. In the event of a conflict between this GSA Form L201C and Exhibit K, the more stringent provision shall apply.
- B. As part of the Lessor's building shell obligation under the Lease, Lessor hereby agrees to obtain a US Green Building Council Leadership in Energy and Environmental Design (LEED) Core and Shell (CS) Silver certification by lease commencement or as soon thereafter as reasonably possible, but in no event later than 18 months following lease commencement.
- C. No later than the lease commencement date, the Lessor shall cause a handicap accessible, paved pedestrian pathway to be provided across the northeast corner of Block 9 to ensure a maximum walking distance between the Courtyard by Marriott hotel and the Eisenhower Avenue Metrorail station of 2,640 walkable linear feet.

**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.