

DATE OF LEASE:

NOV 25 2009

LEASE #GS-11B-02147

THIS LEASE, made and entered into this date between **Square 516S Office Venture, LLC**

Whose address is: 2400 N Street, NW
Suite 600
Washington, DC 20037

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 **19,286 ANSI BOMA Rentable Square Feet (BRSF)** being **15,950 ANSI BOMA Office Area Square Feet (BOASF)** consisting of portion of the 3rd floor in the building located at **455 Massachusetts Ave, NW, Washington, DC, 20001** as noted on the attached floor plan and made a part hereof.

To be used for standard office and related purposes as determined by the Government and purposes consistent with a first-class downtown office building. *****

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the five (5) YEAR FIRM term beginning on the lease commencement date determined in accordance with section 3.18 "Construction Schedule and Acceptance of Tenant Improvements" of the SFO, and ending five (5) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay the Lessor an annual rent of \$726,841.50 (\$45.57/BOASF) at the rate of \$60,570.13 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$199,853.00 (\$12.53/BOASF), estimated base real estate taxes, and \$63,800.00 to amortize a tenant improvement allowance of \$319,000.00 (\$20.00/BOASF) at zero percent (0%) annual interest over the initial five (5) year lease term. The operating cost base includes the daytime cleaning premium of \$1.23 / BOASF. The Government shall be entitled to abatement of rent in the amount of **\$181,710.39** to be applied against the monthly fully serviced rental payment for the first three (3) months of the lease term. Rent checks shall be payable to **Square 516S Office Venture, LLC**, at the address shown below:

Square 516S Office Venture, LLC
2400 N Street, NW
Suite 600
Washington, DC 20037

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 date of mailing.~~

5. This lease may be renewed at the option of the Government, for the following term and at the following rental:

The Government shall have the right to one (1) renewal option for a [REDACTED] at an annual rent of [REDACTED] payable at the rate of [REDACTED] per month in arrears plus cumulative operating expense adjustments from the initial lease term. Rent shall continue to be adjusted for operating costs escalations as provided in SFO 07-014. The Government shall continue to make annual lump sum adjustments for changes in real estate taxes as provided in SFO 07-014. 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 any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

LESSOR

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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) Prior to substantial completion of the leased premises, the lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation report prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of the report which are memorialized on Rider #1 – Fire and Life Safety, attached hereto and made a part hereof.
- b) Tenant Improvements: Upon completion of improvements by Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is greater or less than \$20.00/BOASF, the rent shall be adjusted accordingly. (See SFO Section 3.2) Tenant improvements financed by the Lessor above the initial \$20.00 per BOASF shall be amortized at the annual interest rate of nine and half percent (9.50%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$671,176.00 (\$42.08/BOASF) in tenant improvements. Any tenant improvements funded by the Lessor in excess of this amount shall be repaid by the Government via lump sum payment.
- c) Daytime Cleaning: Lessor shall cause all janitorial work in the Government's space to be performed between 8:30 am and 4:30 pm, Monday through Friday.
- d) The Government's percentage of occupancy for real estate tax purposes shall be 7.96%, based on 19,286 BRSF / 242,367 BRSF.
- e) The HVAC Overtime rate shall be \$50 per hour per floor.
- f) In connection with the buildout of tenant improvements, the following limits on markups shall apply: Offeror's general contractor's total fees for overhead and profit shall not exceed 15%, the total fees for general conditions shall not exceed 4% and the total fees for Lessor's overhead and profit shall not exceed 5%. Architectural and engineering fees, if any, shall not exceed \$3 per BOASF. Any such fees will be paid for out of the tenant improvement allowance. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.
- g) In the case of discrepancies between this SF-2, its riders and the remainder of the Lease, this SF-2 and its riders shall govern.

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

- 1. Rider #1 – Fire & Life Safety, 1 page
- 2. Rider #2 – Security Requirements, 1 page
- 3. Rider #3
- 4. Solicitation For Offers (SFO) # 07-014, 49 pages
- 5. Solicitation Attachment #1, Rate Structure, 1 page
- 6. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOMA OASF, 1 page.
- 7. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
- 8. Solicitation Attachment #4, Fire and Life Safety Report, Including GSA Fire Protection Branch Review, pages
- 9. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
- 10. GSA Form 3517, General Clauses, 32 pages
- 11. GSA Form 3518, Representations and Certifications, 8 pages
- 12. Floor Plans of Leased Area, 1 pages

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

LESSOR : Square 516S Office Venture, LLC

BY:

BY TH

NAME: THOMAS RUDER

IN PRESENCE OF CL

TITLE CHIEF FINANCIAL OFFICER

DATE 9/25/09

ADDRESS 2400 N STREET, NW, # 600
WASHINGTON, D.C. 20037

UNITED STATES OF AMERICA

BY AD CONTRACTING OFFICER, GSA, NCR

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