

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: FEB 19 2010

LEASE No. GS-11B-02136

THIS LEASE, made and entered into this date by and between TREA 1401 H, LLC

Whose Physical Address is: 1209 ORANGE STREET WILMINGTON, DE 19801 and whose Mailing Address is: 730 Third Avenue New York, NY 10017

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 42,218 rentable square feet (RSF) of office and related space on floors 8 and 10, which yields 37,394 ANS/BOMA Office Area square feet (USF) of space at City Center, 1401 H Street, NW, Washington, DC 20005 to be used for SUCH GENERAL OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT, subject to the provisions of the Lease, including Rider paragraphs 14 and 15. (See attached floor plans made a part hereof.)

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing upon completion and acceptance of the work required by this lease as prescribed in Section 3.17 "Construction Schedule" and Section 3.18 "Construction Schedule and Acceptance of Tenant Improvements" and continuing for ten (10) years from the commencement date. The commencement date, which is to be contingent upon acceptance of space, and term shall be established in accordance with the SFO and other Lease documents in a Supplemental Lease Agreement. Notwithstanding the foregoing, the Government shall not be relieved of the obligation to pay rent as a result of Government delay, determined in accordance with Rider paragraph 16 and paragraph 6.C of this SF-2 below.

3. The Government shall pay the Lessor annual rent of \$2,068,682.00 (\$49.00/RSF, \$55.3212/USF) at the rate of \$172,390.16 per month in arrears for years 1 through 5 and \$ 2,237,554.00 (\$53.00/RSF, \$59.8372/USF) at the rate of \$186,462.83 per month arrears for years 6 through 10. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of \$1,034,340.99 applied as follows: rent for the first six (6) full months of the lease term (inclusive of operating costs and amortization of the tenant improvement allowance).

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

TREA 1401 H, LLC
C/O Jones Lang LaSalle Americas
1401 H Street, N.W., Suite 250
Washington, DC 20005

4. (Intentionally Deleted)
5. (Intentionally Deleted)

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

A. All services, utilities, alterations, repairs, maintenance, and other right and privileges are included as a component of the rent to the extent stipulated by this Lease, the SFO, and its Attachments.

B. Build out in accordance with standards set forth in SFO 07-030 dated September 19, 2007, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the construction schedule agreed upon by both Lessor and the Government Lease term to be effective on date of occupancy, in accordance with Paragraph 2 above.

C. Lessor and the Government shall negotiate a schedule for design, construction and delivery of space (schedule commencing with the delivery of Program of Requirements and the [REDACTED] Design Guide, which shall be provided following award) that is consistent with the terms set forth in the SFO, and shall execute a Supplemental Lease Agreement that sets forth the schedule. Should either the Government or the Lessor fail to discharge their responsibilities as defined herein within the time allocated under the agreed upon construction schedule, such shall constitute "delay". Delay caused by either party may be offset by the early completion of that party's other responsibilities within the schedule. The absolute value of the number of days of one party's delay minus the number of days of the remaining party's delays shall equal the total number of days of delay for a given stage of the schedule. Delay in substantial completion shall then be attributed to the party having caused the greatest number of days of delay and shall be termed either "Government Delay" or "Lessor Delay" as appropriate.

If Government Delay occurs, then the rent commencement date shall be the same number of days earlier than the acceptance date as the number of days of Government Delay. Any rental paid by the Government prior to actual occupancy shall be less the cost for services and utilities (Base Cost of Services per line 27 of Form 1217) of the vacant premises. In any event, the Government will not be required to accept space and commence rent prior to the completion and acceptance of the work required by this Lease as indicated in Paragraph 2 above, unless otherwise agreed to by the Government. Each day of Lessor Delay will be governed by Section 3.13 of the SFO.

D. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

E. In accordance with SFO section 1.10 the total tenant improvement allowance (TIA) is \$1,954,958.32 (37,394 USF x \$52.28). The TIA shall be amortized over 10 years at the rate of 0%. The total annual cost of TIA for the amortization period shall be \$195,495.832. 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. Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. If the Government does not utilize the entire TIA included in the rent, the rent shall be adjusted downward using 0% amortization rate. 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 TIA utilized. The actual cost of the TIA will be determined by the competition and cost proposal process set forth in Section 1.1 and 3.2 of the SFO. Any TIA in excess of the amounts stated in this paragraph shall be amortized at a rate of 8.75% per year in accordance with Rider paragraph 2.

F. In accordance with SFO section 1.10, fees related to the tenant improvements, including change orders to be paid out of the tenant improvement allowance shall not exceed the following amounts: General Contractor Profit and Overhead (4%), General Contractor General Conditions (8%), Architectural and Engineering Fees (8%), Management Fee (4%).

G. The Government's buildout will be [REDACTED] chambers and support space. Chambers for each [REDACTED] will be approximately 1,900 to 2,500 square feet. Each chamber will include a private restroom. [REDACTED] chambers will be constructed in accordance with the [REDACTED] Design Guide.

H. In accordance with SFO 07-030 dated September 19, 2007 the Lessor shall provide for any security measures necessary to meet the required security standards set forth by the Federal Protective Service including but not limited to protective window film, subject to Rider paragraph 12 and the other provisions of this Lease.

I. Upon completion of initial tenant build out and prior to acceptance of space by the Government the Lessor must fully correct all findings, recommendations, and deficiencies listed in the Attachment #4 titled Fire Protection & Life Safety Evaluation. Any modifications necessary to comply with the Fire Protection and Life Safety Evaluation will be at the Lessor's Expense.

J. A total of 25 parking spaces shall be made available to the Government. The Government shall have the right to utilize 10 designated and reserved parking spaces at the rate of \$6,240 per space per year throughout the term of the lease. The Government shall have the right to utilize 15 unreserved parking spaces at the rate of \$3,120 per space per year. The parking rates shall not escalate and shall remain constant throughout the life of the lease.

K. Prior to the Government's acceptance of the space the Lessor shall provide a Seismic Safety Report signed by a certified structural engineer as prescribed in Section 2.1 "Seismic Safety" of the attached SFO No. 07030.

L. In accordance with the SFO section 3.8, the Operating Cost base is established as \$8.3347/RSF (\$351,876.00/annum).

M. In accordance with SFO section 3.5 and 3.6, for the purposes of this offer and future tax adjustments, based on a Government occupancy of 12.04% based on 42,218 RSF /350,635 RSF, subject to confirmation of the total rentable area of the entire building, the fully-assessed tax base is hereby established to be \$410,781.00 or \$9.7299 per RSF.

N. In accordance with SFO section 3.11, the common area factor is established as 1.129 (42,218 RSF/37,394 USF).

O. In accordance with SFO section 3.14, the adjustment for vacant premises is established as \$2.00/USF.

P. In accordance with SFO section 7.2, services, utilities, and maintenance shall be provided daily, extending from 7:00 a.m. to 6:00 p.m. except Saturdays, Sundays, and Federal Holidays.

Q. In accordance with SFO section 7.3, overtime usage rate is \$55.00 per hour for the entire demised premises or any portion thereof. A minimum of four (4) hours of HVAC Overtime shall be required for weekend use.

R. In accordance with SFO section 7.7, janitorial services shall be provided after tenant working hours, which shall be the building operating hours stated above (7:00 a.m. to 6:00 p.m., except Saturdays, Sundays, and Federal Holidays).

S. The Lessor and the Government's Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission minus the rent abatement is [REDACTED] and includes parking costs. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("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 the SFO attached to and forming a part of this lease. Commission payment shall be due to Jones Lang LaSalle upon execution of this Lease by the Government.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The rental amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. 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:

First Month's Rental Payment (Seventh Month of Lease Term): \$172,390.17 (including \$126,775.85 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted First Month's Rent

Second Month's Rental Payment (Eighth Month of Lease Term): \$172,390.17 (including \$126,775.85 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted Second Month's Rent

Third Month's Rental Payment (Ninth Month of Lease Term): \$172,390.17 (including \$126,775.85 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted Third Month's Rent

Fourth Month's Rental Payment (Tenth Month of Lease Term): \$172,390.17 (including \$126,775.85 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted Fourth Month's Rent

7. The following are attached and made a part hereof:
- A.Solicitation for Offers 07-030 dated September 19,2007 (50 pages)
 - B.Amendment Number 1 (1 page)
 - C.Amendment Number 2(1 page)
 - D.Amendment Number 3 (2 pages)
 - E.Amendment Number 4 (2 pages)
 - F.GSA Form 1364 titled "Proposal to Lease Space" (2 pages)
 - G.Solicitation Attachment #1 titled Rate Structure (1 page)
 - H.Solicitation Attachment #2 titled GSA Form 1217 titled Lessor's Annual Cost Statement (1 page)
 - I.Solicitation Attachment #3 GSA Form 3517 titled GENERAL CLAUSES (33 pages)
 - J.Solicitation Attachment #4 titled Fire Protection & Life Safety Evaluation (15 pages)
 - K.Solicitation Attachment #5 titled Amendment to Form 3517 (1 page)
 - L.Solicitation Attachment #6 titled GSA Form 3518 titled REPRESENTATIONS AND CERTIFICATIONS (10 pages)
 - M.Rider to GSA SFO #07-030 and Related Solicitation and Offer Documents (3 pages)
 - N.Floor Plans of Offered Space (3 pages)
 - O.Pre-Lease Building Security Plan (11 pages)
 - P.Small Business Subcontracting Plan (15 pages)

8. The following changes were made in this lease prior to execution:

Paragraphs 4 and 5 have been deleted in the entirety.

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

Lessor: TREA 1401 H, LLC

By:

Joseph Flanagan
Assistant Secretary

IN PRESENCE

OF

Rosena Flanagan
Rosena Flanagan

ADDRESS:

40 TIAA - CREF
730 Third Avenue
New York, N.Y.

10017

UNITED STATES OF AMERICA

By:

Santoni W. Graham
Santoni Graham: contracting Officer