
From: Jill Holmes
Sent: Monday, October 06, 2014 4:42 PM
To: Jill Holmes

Today we submitted our best and final offer to GSA for the FPS lease at B&B Alexandria Corporate Park. As you are aware, this was a competitive procurement by the government and we were aware of at least one other competing property owner. This competitor is an institutional lender that acquired a neighboring multi-story office building this past year through a deed in lieu of foreclosure. The competing building would require substantial and costly renovations to render it suitable for FPS.

The leasing requirement was advertised as a 5 year term with a 5 year renewal option. However, at the final hour and in order to secure the most competitive rates from all landlords, the GSA announced that it would exercise its renewal option upon execution of the lease, effectively rendering the lease a 10 year fixed term. Fortunately, no re-advertisement was deemed necessary. A re-advertisement of the requirement would have resulted not only in additional unwanted delay but could have potentially expanded the number of competitors by including those who declined to bid due to the shorter 5 year term.

At the recommendation of the Federal Investors Division of Jones Lang LaSalle, our third party leasing agent, our offered leasing rate is \$24.50 psf, a reduction of \$3.00 psf from the rent being paid by GSA on the existing 18 month extension term. The next step in the process is the review and scoring by GSA of all offers. We understand that the goal of GSA is to award the lease by mid November. We shall keep co-owners apprised of all developments.

Regarding the pending bankruptcy of B&B Alexandria Corporate Park TIC 17, LLC, the foreclosure continues to remain stayed and we are operating under a cash management agreement with the lender. The cash management agreement calls for the lender to receive all rents directly and pay for approved property expenses. Day-to-day operation of the property continues to be performed by Lincoln Property Company under the oversight of B&B Alexandria Corporate Park Management, LLC. There has been no interruption or reduction of services to the existing tenants who are happy with the property and property management.

We are continuing to see more interest in the property from prospective tenants and our overall strategy remains to lease up the vacant space to the extent that it will support a return to the capital markets for refinancing of the existing debt.

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