

B&B ALEXANDRIA CORPORATE PARK MANAGEMENT, LLC

6917 Arlington Road, Suite 203

Bethesda, MD 20814

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MEMORANDUM

TO: Tenant in Common Co-Owners of B&B Alexandria Corporate Park
FROM: B&B Alexandria Corporate Park Management, LLC
DATE: February 4, 2015
RE: Property Update

On January 30, 2015, we received a letter from GSA notifying us that we are the apparent successful offeror for the lease requirement of FPS together with a first draft of the new 10 year lease. A copy of that letter is attached. We are in the process of reviewing the draft lease and providing our comments. Jones, Lang, LaSalle continues to market all available vacant space at the property; however, the certainty that our GSA tenant will remain in place for another 10 years and the recent leasing of 22,500 sf by Action Chapel allows us to return to the capital markets to solicit refinancing offers from interested lenders.

As we have previously reported, the foreclosure commenced by our first trust lender, G8 Capital, on June 16, 2014 was stayed by the Chapter 11 bankruptcy filing of B&B Alexandria Corporate Park TIC 17, LLC (the "Debtor") on June 27, 2014. On January 30, 2015 G8 filed a motion with the bankruptcy court to lift the automatic stay and proceed with the foreclosure. In support of its motion, G8 alleges that there is no equity in the property, the Debtor has not filed a plan of reorganization and even should it be filed, G8 will not consent to the plan. While the Debtor will oppose the motion for relief filed by G8, the Debtor's burden of proof to overcome that motion is substantial and it is more likely than not that G8 will prevail. In such event, the foreclosure will be allowed to proceed unless stayed again by another bankruptcy or an injunction or other equitable relief from a state court proceeding. Due to the procedural requirements of the bankruptcy court and potential strategies available to the Debtor, the outcome of G8's recent motion is not likely to become final until April. Prior to that time, we would hope to have some indication from the capital markets of whether or not we can obtain loan proceeds in an amount necessary to satisfy G8 and retain the property for the co-owners through refinancing.

At this time, we consider the best course of action for the co-owners to be to continue to seek tenants for the vacant space while we pursue refinancing based upon the recent leasing activity. Should you have any questions, please contact us.



GSA National Capital Region

VIA ELECTRONIC MAIL

January 30, 2015

Lucy Kitchin
Senior Vice President
Jones Lang LaSalle
1801 K Street, NW, Suite 1000
Washington, DC 20006

Re: Request for Lease Proposals (RLP) No. 1VA2007 – 6315 Bren Mar Drive, Alexandria, VA 22312

Dear Lucy:

We have concluded our evaluation of proposals in response to the above referenced Request for Lease Proposals, and I am pleased to inform you that B&B Alexandria Corporate Park Management, LLC has been identified as the apparent successful offeror for space located at 6315 Bren Mar Drive, Alexandria, Virginia.

Please be advised that this notice does not constitute an award of a contract. This will occur upon receipt of various internal approvals and execution by the Government of a lease consistent with the terms of the RLP and your offer.

Attached you will find the Lease package, which incorporates our final negotiated terms and conditions. The package includes:

- A. Lease No. GS-XP- LVA12670;
- B. Rider No. 1 – Fire and Life Safety;
- C. Rider No. 2 – Security Assessment;
- D. Energy Efficiency Plan/Energy Star Certificate
- E. Floor Plans;
- F. Swing Space Options;
- G. Parking Plan;
- H. Space Allocation & Facility Assessment;
- I. Security Requirements;
- J. Supplement to GSA Form 1364C;
- K. GSA Form 1217 – Lessor's Annual Cost Statement;
- L. GSA Form 3517B – General Clauses;
- M. GSA Form 3518 – Representations and Certifications;

U.S. General Services Administration
301 7th Street SW
Washington, DC 20407-0001
www.gsa.gov

Once received, we request that you fully execute two (2) copies, initial each page in blue ink and return Leroy Battle. When returned, the GSA will proceed expeditiously to obtain all necessary approvals in order to execute the lease.

On behalf of the entire procurement team, I want to congratulate you on being identified as the apparent successful offeror. We look forward to working with you to bring the procurement to a successful conclusion and to finalize an award. Should you have any questions, please contact me at (202) 205-5863 or GSA's authorized representative, Leroy at (202) 413-0738.

Sincerely,



Sylva H. Nicolas
Contracting Officer
Lease Executions Division