

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT NO. 2 LEASE NO.: GS-11B-02197	DATE: MAY 15 2012
ADDRESS OF PREMISES: Capitol View 425 3rd Street, SW, Washington, DC 20024-3206		
THIS AGREEMENT, made and entered into this date and between: SQUARE 537 ASSOCIATES LLC Whose address is 7500 Old Georgetown Road Bethesda, Maryland 20814-6195		
hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:		
WHEREAS, the parties hereto desire to amend the above Lease.		
NOW THEREFORE, the parties for the considerations hereafter mentioned covenant and agree that the said Lease is amended effective upon full execution of this Supplemental Lease Agreement (SLA) No. 2 as follows:		
<p>1.) SLA No. 1 dated December 13, 2011 shall be deemed immediately null and void and of no further force and effect.</p> <p>2.) Subpart j.) of Paragraph 6. contained in the Standard Form 2 (SF-2) is hereby deleted in its entirety and replaced with the following:</p> <p>j.) The Rent Commencement Date and Lease Commencement Date shall be the date of space acceptance made by the Government. However, should a Government or Lessor delay occur, the Rent Commencement Date shall remain the date of space acceptance made by the Government and an equitable adjustment shall be negotiated by the parties. The equitable adjustment shall be based on the number of days of delay by either party as adjusted for amortization of tenant improvements and in accordance with the Adjustment for Vacant Premises provision contained in Paragraph 3.15 - subpart B. of Solicitation For Offerors (SFO) No. 07-014. Payment by the Government for any Government delay shall be made to Lessor lump-sum as additional rent and included in the first month's rent payable. Each day of Lessor delay will increase the amount of free rent after occupancy by the Government on a day for day basis as liquidated damages per the "Default in Delivery" paragraph of the form 3517. For purposes of implementing Paragraph 3.15 of the SFO of the Lease, the parties agree to a Vacant Premises Credit of \$1.25/BOASF.</p>		
<p>As provided under Paragraphs #2 and #6(j) of the Standard Form 2 (the "SF-2") to the Lease, the Government hereby agrees to February 16, 2011 as being the date of substantial completion and acceptance of space for the leased premises containing a total of 76,200 BRSF (which date represents the date that the entire leased premises was substantially completed, not a composite date determined by the incrementally delivered substantially completed leased premises as described in Clause 12, Section 552.270-19, "Progressive Occupancy," of the General Clauses of the Lease), and the Rent Commencement Date and the Lease Commencement Date shall each be February 16, 2011 for all purposes under the Lease. The five (5) year firm term of the Lease shall commence on the Lease Commencement Date and expire at 11:59 p.m. on February 15, 2016.</p>		
<p>The Parties hereby acknowledge and agree that twenty-two (22) calendar days of Government delay have occurred pursuant to SF-2 Paragraph #6(j), as amended by this SLA, and the Government hereby agrees to make a negotiated lump sum payment to Lessor of additional rent in the amount of two hundred and one thousand seven hundred twenty-seven dollars and forty-eight cents (\$201,727.48) for full settlement of such delay. The Government shall pay such amount to Lessor together with the Government's payment of the first installment of monthly rent, which amount the Government shall pay to Lessor no later than thirty (30) days following the full execution of this SLA. As part of the negotiated settlement reflected in the immediately preceding sentence, the Government has agreed to forgo the Vacant Premises Credit for the twenty-two (22) day delay period and the Government hereby waives any claim that it may now or hereafter have with respect to any Vacant Premises Credit attributable to such twenty-two (22) day period. As provided for in Clause 23, Section 552.232-75, "Prompt Payment," of the General Clauses of the Lease, the Government shall pay interest on all rental amounts due to Lessor including the additional rental in settlement of the Government delay as provided above and the monthly rental amounts set forth below, from the date such payments were due based on the foregoing agreed Lease Commencement Date of February 16, 2011 until the date such amounts are actually paid by the Government, such interest to be calculated by the Government and paid to Lessor within thirty (30) calendar days after the date of execution of this SLA by the Government. The second to the last paragraph of this SLA is not intended to be, and shall not operate as, a waiver of the foregoing obligation of the Government for interest.</p>		
<p>[CONTINUED ON PAGE 2 OF 2]</p>		

The Government has fully utilized the TIA of \$1,270,000.00 set forth in Paragraph 6.(b) of the Standard Form 2 (SF-2) which repayment is fully amortized in the annual rent at 0% (zero percent). The TIA was disbursed as follows: 7/15/2010: Award #1 – A/E Design Services in the amount of [REDACTED]; 7/26/2010: Award #2 – A/E Additional Design Services in the amount of [REDACTED]; 8/31/2010: Award #3 – Additional A/E & Long Lead Items in the amount of [REDACTED]; and 9/29/2010: Notice-To-Proceed: Construction in the amount of \$972,577.00.

Effective February 16, 2011, the Government shall pay Lessor annual rent of \$3,432,810.00 (\$45.05 BRSF/\$54.06 BOASF) at the rate of \$286,067.50 per month in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$728,345.50 (\$9.56 BRSF / \$11.47 BOASF), base year real estate taxes, and \$254,000.00 to amortize the TIA totaling \$1,270,000.00 (\$20.00 / 63,500 BOASF) at zero percent (0%) interest over the sixty (60) month period from the Lease Commencement Date through the end of the five (5) year firm term of the Lease. Notwithstanding the foregoing, payment by the Government of the first six (6) months of rent due and owing from and after the Rent Commencement Date for the office portion of the lease shall be abated in the sum of \$1,716,405.00 (\$286,067.50 monthly) (the "6 Month Full Rent Abatement"), and an additional abatement in the sum of \$1,390,287.83 in lieu of a [REDACTED] Cooperating Brokerage Commission (the "Commission Abatement"), which Commission Abatement shall be applied as a credit against the base rent during months seven (7) through thirteen (13) of the Lease as follows:

- Months one (1) through six (6) – the monthly rent to be paid shall be \$0.00. The Government is receiving abatement of rent in the amount of \$286,067.50 per month.
- Months seven (7) through twelve (12) – the monthly rent to be paid shall be [REDACTED]. The Government is receiving abatement of base rent in the amount of [REDACTED] per month and making payment of operating costs and amortization of the included \$20.00/BOASF of TI. In month seven (7), the Government will make an additional (one time only) lump sum payment in the amount of \$201,727.48 as full settlement of the Government delay specified above.
- Month thirteen (13) – the monthly rent to be paid shall be [REDACTED]. The Government is receiving abatement of base rent in the amount of [REDACTED] and making payment of base rent in the amount of \$39,149.83, operating costs and amortization of the \$20.00/BOASF of TI.
- Month fourteen (14) through the remainder of the firm term of the Lease – the monthly rent shall be \$286,067.50 per month.

The 6 Month Full Rent Abatement and the Commission Abatement shall be the only rent abatements to which the Government is entitled. The monthly rents described in the paragraph above shall be subject to annual escalation of operating costs and adjustments for real estate taxes as provided for in the SFO. The Government's percentage of occupancy for real estate tax purposes shall be 33.45%, based on 76,200 RSF/227,831 BRSF.

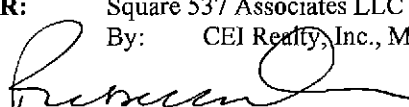
Notwithstanding the foregoing, Lessor reserves its rights related to any and all claims relating to adjustment of the Lease Commencement Date and the Rent Commencement Date, and no provision of this SLA may be construed to waive the Lessor's rights with respect to any such claims.

This document will not constitute a payment until the date of execution by the Government. As a result, no payment whatsoever is due under this agreement until thirty (30) days after the date of execution of this SLA by the Government.

All other terms and conditions of the Lease shall remain in force and effect. To the extent that anything contained in this SLA conflicts with, or is in any manner inconsistent with, any term, provision, section, or covenant of the Lease, including but not limited to any Rider, the SFO, the General Clauses, or any prior SLA, the terms and conditions of this SLA control.

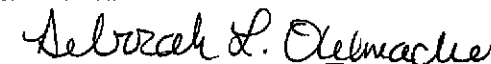
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: Square 537 Associates LLC
By: CEI Realty, Inc., Manager

BY 
Rebecca L. Owen

TITLE SENIOR VICE PRESIDENT

IN PRESENCE OF


Name: Deborah L. Oelmacher

Address: 7500 Old Georgetown Road, Bethesda, Maryland 20814-6195

UNITED STATES OF AMERICA

BY 
Kevin M. Terry

TITLE CONTRACTING OFFICER, GSA, NCR

[PAGE 2 OF 2]

STATEMENT OF LEASE

April 30, 2012

New York Life Insurance Company
51 Madison Avenue
New York, NY 10010-1603

Re: Lease No. GS-11B-02197

Ladies and Gentlemen:

The undersigned, an authorized signatory of Lessee (defined below), hereby confirms and represents to the best of his or her knowledge and belief the following as of the above date:

1. Lease No. GS-11B-02197 between THE UNITED STATES OF AMERICA ("Lessee") and SQUARE 537 ASSOCIATES LLC ("Lessor") dated June 15, 2010 (as amended by that certain Supplemental Lease Agreement No. 1 dated December 13, 2011, and that certain Supplemental Lease Agreement No. 2 dated April 30, 2012) (collectively, the "Lease"), for a total of 76,200 rentable square feet (the "Premises"), is in full force and effect and has not been modified, supplemented, canceled, or amended, except as stated herein.
2. To the best of Lessee's knowledge, neither Lessee nor Lessor is in default under the performance of any of the obligations, terms, covenants, or conditions of the Lease.
3. The current annual rent is \$3,432,810.00, payable monthly in arrears at a rate of \$286,067.50. The Government accepted the Premises as substantially complete on February 16, 2011. The Lease Commencement Date and Rent Commencement Date have each been established by the Lease as February 16, 2011. The five (5) year firm term of the Lease commenced on the Lease Commencement Date and shall expire on February 15, 2016.
4. The entirety of the 6 Month Full Rent Abatement (as defined in SLA #1) has been credited by Lessor to Lessee. Additionally, the entirety of the Commission Abatement (as defined in SLA #2, copy attached) has been credited by Lessor to Lessee.
5. Lessee is not entitled to any additional rent abatement under the Lease. Lessee became obligated to commence paying full unabated rent on the Rent Commencement Date (subject to rent abatement).
6. The Tenant Improvement Allowance has been exhausted.
7. No advance payments under the Lease have been or will be paid.
8. This Statement of Lease is based solely upon a reasonably diligent review of the Contracting Officer's Lease file as of the date of issuance. An inspection of the Premises has not been conducted for the purposes of this Statement of Lease, nor has the tenant agency or the General Services Administration's local field office been contacted concerning Lessor's performance under the Lease. Lessor and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable pre-purchase and pre-commitment inspection of the Premises and the building in which the Premises are located and by inquiry to appropriate Federal, State, and local Government Officials. This Statement of Lease shall not be construed as a waiver of any rights, benefits, or interests, which the Government has under the above-referenced Lease.

The undersigned is authorized to execute this Statement of Lease on behalf of Lessee.

Sincerely,

THE UNITED STATES OF AMERICA

By: 

Name: Kevin Terry

MAY 15 2012

Title: Contracting Officer

#9916858_v3