

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE No. GS-11B-02207

SEP 29 2010

THIS LEASE, made and entered into this date between **Parcel 47D LLC**
whose address is

**c/o Republic Properties Corporation
1280 Maryland Avenue, SW Suite 280
Washington, DC 20024-2150**

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 52,636 BOMA Rentable Square Feet (BRSF) (yielding 45,000 BOMA Office Area Square Feet (BOASF)) consisting of 52,400 BRSF (44,800 BOASF) located on the entire 4th floor, and 236 BRSF (200 BOASF) located on a portion of the P1 lower level in the building known as Portals III, located at 1201 Maryland Avenue, SW, Washington, DC 20024 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A - Floor plans of leased premises).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers # 7DC2423 and continuing for 10 years from the commencement date and subject to termination and renewal rights as may be hereinafter set forth. The commencement date and term shall be established in accordance with the SFO in a Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$2,669,400.00 (\$50.71434/BRSF; \$59.32/BOASF) at the rate of \$222,450.00 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Parcel 47D LLC, c/o Republic Properties Corporation, 1280 Maryland Avenue, SW, Suite 280, Washington, DC 20024-2150 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of \$904,492.82 applied as follows: (a) rent for the first three (3) months of the lease term (inclusive of operating costs and amortization of the tenant improvement allowance) in the total amount of \$667,350.00 shall be abated entirely; and (b) a portion of the monthly shell rent shall be partially abated during the 4th, and 5th months of the lease term, in equal monthly amounts of \$118,571.41 for a total amount of \$237,142.82, as more fully set forth in paragraph 6(D) below.

4. The Government may terminate this Lease at any time effective after the expiration of the sixth (6th) year of the Lease upon 365 days prior written notice and without payment of any termination fee or penalty of any kind. Said notice shall be computed commencing with the day after the date of mailing. No rental shall accrue after the effective date of termination.

5. Intentionally Deleted

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

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

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$1,885,184.00 (\$41.89297/BOASF). 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. This Tenant Improvement Allowance is included in the rent, with the \$41.89297/BOASF being amortized at a rate of 0% over the six-year firm Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 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 final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 3.3 "Tenant Improvement Rental Adjustment" and Paragraph 5.1 "Tenant Improvements Pricing Requirements," with the understanding that bidding shall take place at the General Contractor or trade/subcontractor level. Any work items provided by the General Contractor, or for which there is no adequate competition at the trade/subcontractor level, shall be subject to the Government's review of cost and pricing data.

C. The following limits on markups shall apply to all tenant improvements pertaining to the buildout of the space, including change orders: Offeror's General Contractor's fee shall not exceed 8%, Lessor's overhead, profit, and project management fees shall not exceed 3%, general conditions shall not exceed 7%, and architectural/engineering cost shall not exceed \$2.75 per BOASF.

D. In accordance with Paragraph 2.4 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the lease value for the six (6) year firm term. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. 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] and shall be paid as free rent in equal monthly installments of [REDACTED] during months four (4) and five (5) of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of [REDACTED], which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the 4th month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Fourth (4th) Month's Rental Payment of \$222,450.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth (4th) Month's Rent.

Fifth (5th) Month's Rental Payment of \$222,450.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth (5th) Month's Rent.

E. For purposes of Paragraph 4.2 of the SFO, as of the date hereof, the Government's percentage of occupancy is 10.4209%, based on occupancy of 52,636 BRSF in a building of 505,098 BRSF. If any tax credit is due to the Government as a result of Lessor's appeal of the tax assessment during the lease term, the credit to the Government shall be net of the Government's percentage of occupancy share of the reasonable costs of the appeal.

F. For purposes of Paragraph 4.3 of the SFO, as of the date hereof, the operating cost base is \$597,150.00 (\$11.344897 per BRSF; \$13.27 per BOASF). This operating cost base does not include the cost of daytime cleaning, which the Government shall have the right to request during the term of the lease for an additional \$0.90/BOASF.

G. Pursuant to Paragraph 4.6 of the SFO, the cost of overtime HVAC service shall be \$45.00 per hour, which is not subject to any additional charges other than annual CPI adjustments, for the entire leased space for the first 200 hours of overtime service used per year. Lessor shall notify the Government in writing when the hourly usage during a lease year approaches 200 hours. Upon written notification, the parties shall reasonably negotiate the hourly cost for overtime HVAC service for the remainder of the year.

H. The yearly cost to the Government for the use of the rooftop space shall be at the Lessor's current standard rate of \$1,240.00 per antenna per month for calendar year 2010 ("Base Antenna Standard Rate Effective Date"), payable monthly in arrears. On each anniversary date of the Base Antenna Standard Rate Effective Date, the rate shall be adjusted by multiplying the base rate of \$1,240.00 per month by the annual percentage change in the Cost of Living Index ("Adjusted Antenna Standard Rate".) Should the Government elect to locate an antenna on the rooftop, the applicable Adjusted Antenna Standard Rate for the year in which the antenna is activated shall apply. Lessor and Government will reasonably negotiate the provisions of a Rooftop License Agreement prior to the installation of any such antenna.

I. Pursuant to Paragraph 4.1(C) of the SFO, the Common Area Factor is determined to be 1.169688889, calculated as follows: 52,636 BRSF/45,000 BOASF.

J. Pursuant to paragraph 4.4 of the SFO, the adjustment for vacant premises shall be \$1.00/BOASF if the Government vacates a full floor during the term of the lease. If the Government has added the cost of daytime cleaning service at the time of the vacancy, the adjustment for vacant premises shall be \$1.90/BOASF.

K. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

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

- A. Exhibit A - Floor Plans of the Leased Area, 2 pages
- B. Rider #1 - Fire & Life Safety, 1 page
- C. Solicitation For Offers # 7DC2423, 53 pages
- D. Fire Protection and Life Safety Evaluation - 11 pages
- E. Pre-Lease Building Security Plan, 7 pages
- F. GSA Form 1217 - Lessor's Annual Cost Statement, 1 page
- G. GSA Form 3517B - General Clauses, 33 pages
- H. GSA Form 3518 - Representations and Certifications, 7 pages
- I. Small Business Subcontracting Plan, 13 pages

8. The following changes were made in this lease prior to its execution:
Paragraph 5 has been deleted in its entirety.

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

Lessor: Parcel 47D LLC

By: ~~Republic Properties Corporation~~, its sole Manager

By: _____

[Signature], PRESIDENT

IN PRESENCE
OF _____

ADDRESS

1280 MARYLAND AVE, SW / #280
WASHINGTON, DC 20024

UNITED STATES OF AMERICA

BY

[Signature]
CONTRACTING OFFICER