

**STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES ADMINISTRATION
FPR (41CFR) 1D16.601**

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

DATE OF LEASE: AUG 16 2010

LEASE #GS-11B02223

THIS LEASE, is made and entered into this date between:
Whose address is:

Thomas Circle CF LLC
c/o Polinger Shannon & Luchs Company
5530 Wisconsin Avenue
Suite 1000
Chevy Chase, MD 20815

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 approximately 19,146 **Rentable Square Feet (RSF)**, being **16,100 ANSI BOMA Office Area Square Feet (BOASF)**, and being the entire Fourth Floor of the building known as One Thomas Circle as noted on the floor plans attached to and made a part of this lease, with the address being 1 Thomas Circle, NW, Washington, DC 20005, to be used for office and related purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the five (5) YEAR FIRM term beginning on the date of execution of the Right of Entry / Early Occupancy Agreement attached hereto and made a part hereof and ending five (5) years later. A Supplemental Lease Agreement (SLA) will be issued to memorialize the Lease commencement date.

3. The Government shall pay the Lessor an annual rent of \$812,889 (\$50.49/BOASF) at the rate of \$67,740.75 per month in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$160,839 (\$9.99/BOASF), base real estate taxes, and \$64,400 to amortize a tenant improvement allowance of \$322,000 (\$20.00/BOASF) at zero percent (0%) annual interest. Rent checks shall be payable to Thomas Circle CF LLC, at the address shown above.

4. ~~Intentionally Deleted.~~

5. ~~This lease may be renewed at the option of the Government, for the following term and at the following rental:
The Government shall have the right to one (1) renewal option for a FIVE YEAR TERM at an annual rent of \$ ()/BOASF, payable at the rate of \$ per month in arrears. The operating cost base and base year real estate taxes shall be recalculated for a new 12-month period at the beginning of the option term. The Government shall exercise its renewal option if at all by providing the Lessor with written notice of the Government's intent to exercise such option at least 180 days before the end of the original lease term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
EXCEPT AS SET FORTH BELOW OR ELSEWHERE IN THIS LEASE, ALL SERVICES, IMPROVEMENTS, ALTERATIONS, REPAIRS, AND UTILITIES AS DEFINED BY THIS LEASE. THIS LEASE IS FULL SERVICE.

- a) Not later than fifteen (15) days after lease execution by the Government, Lessor shall provide a completed Attachment #4, Fire Protection & Life Safety Evaluation, which has been prepared by a Certified Fire Protection Engineer. Within ninety (90) days of lease execution by the Government, the Lessor shall comply with all recommendations and findings of the Certified Fire Protection Engineer contained in the completed Attachment #4, as well as those (if any) of the GSA Fire Protection Engineering Section.
- b) Tenant Improvements: Upon completion of tenant improvements, if any, by Lessor and acceptance thereof by the Government, the cost of such tenant improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is greater or less than the initial Tenant Improvement Allowance of \$20.00/BOASF, the rent shall be adjusted accordingly. (See SFO Section 3.2) Tenant improvements financed by the Lessor above the initial \$20.00/BOASF shall be amortized at the annual interest rate of ten percent (10%). Notwithstanding any provisions of the SFO to the contrary, the Lessor shall not be obligated to provide to the Government as part of the rent a total tenant improvement allowance in excess of \$677,488 (\$42.08/BOASF). Any tenant improvements funded by the Lessor in excess of \$42.08/BOASF amount shall be repaid by the Government via lump sum payment. Refer paragraph 6(e) below regarding fees payable by the Government for improvements and change orders in the event that tenant improvements are performed.

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(rev. 7/9/2010)

- c) Notwithstanding the provisions of Paragraph 6(b) above or any of the provisions of SFO 07-014 or any other provision of the Lease to the contrary, the parties agree that the Government will occupy the space without change to the existing floorplan layout and Building Shell. However, Lessor will be responsible at Lessor's sole cost and expense to insure that the existing Building Shell conforms to the performance specifications of SFO 07-014. In the event that the Government elects to make any alterations to the leased space, such alterations shall be at the sole cost and expense of the Government (subject to the provision of the Tenant Improvement Allowance), including any changes to the existing Building Shell caused by such alterations. For the avoidance of doubt, if the presently existing Building Shell complies with the specifications of SFO- 07-014, any changes thereto by reason of any alterations elected to be made by the Government shall be at the Government's sole cost and expense (subject to the Tenant Improvement Allowance). If the presently existing Building Shell fails to comply with the specifications of SFO- 07-014, any changes thereto by reason of any alterations elected to be made by the Government shall be at the Lessor's sole cost and expense to the extent (and only to the extent) that such costs would have been incurred to bring the existing Building Shell to the specifications of SFO-07-014 determined as if such alterations had not been made. Further, should any presently existing systems or replacements thereto provided by Lessor which are in compliance with the specifications of SFO-07-014 be damaged or destroyed in the scope of such alterations, the cost and expense to restore said damaged or destroyed items shall be borne by the Government. The Lessor shall continue to maintain, repair or replace as necessary any such restored items thereafter, with the exception of any subsequent damage or destruction resulting from further alterations by the Government.
- d) The Government's percentage of occupancy for real estate tax purposes shall be 8.41%, based on 19,146 RSF / 227,772 RSF, subject to confirmation of the total rentable square footage of the building.
- e) The general contractor's total fees for overhead and profit shall not exceed 6% and the general contractor's fees for general conditions shall not exceed 6%. The Lessor's total construction management and coordination fees for the tenant improvements for the Government's space shall not exceed 3% and Architecture & engineering fees, if any, shall not exceed \$3.50/BOASF. Any such fees will be paid for out of the T/I Allowance. The Government shall have the right to renegotiate these fees in the event that the scope of work is substantially reduced from that contemplated by the SFO.
- f) Normal hours of operation shall be 7 am to 6 pm Monday through Friday, Federal Holidays excepted. If required by the Government, The Lessor shall cause all cleaning within the Government's demised premises to occur between the hours of 8:30 am and 4:30 pm, Monday through Friday, at an additional cost of \$.50/BOASF. The HVAC overtime rate shall be \$50/hour to include labor and engineering (stationary) service.
- g) Subsequent to the completion of the improvements and repairs to the Building garage, which completion is anticipated to occur on or before October 1, 2010, the Lessor shall make available up to 16 monthly parking permits for rental by Government employees occupying the space under this lease. Permits for such parking spaces shall be purchased directly by individual employees at prevailing market rates, not to exceed \$225 per month per unreserved space and \$450 per month per reserved space. Prior to completion of the on-going improvements and repairs Lessor shall use reasonable efforts to obtain parking permits at prevailing monthly rates for these parking permits within a one block radius of the Building.
- h) The Government shall be entitled to a rent credit in the amount of \$541,926.00 (eight (8) months' free rent based upon a T/I of \$20.00/BOASF), to be applied against the first month's rent and continuing into subsequent months' rent until exhausted. If the Government uses less than \$20/BOASF in T/I, the free rent concession will be adjusted accordingly.
- i) The Government shall be entitled to use the existing furniture in the demised premises, at no charge to the Government, throughout the term of this Lease.

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

- 1. Solicitation For Offers (SFO) # 07-014, 52 pages
- 2. Solicitation Attachment #1, Rate Structure, 1 page
- 3. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOMA OASF, 1 page
- 4. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
- 5. Solicitation Attachment #4, Fire and Life Safety Report TBD pages
- 6. GSA Form 1217, Lessor's Annual Cost Statement and Attachment, 2 pages
- 7. GSA Form 3517, General Clauses, 33 pages
- 8. GSA Form 3518, Representations and Certifications, 4 pages
- 9. Floor Plans of Leased Area, 1 page
- 10. Rider #1 - Security Requirements, 1 page
- 11. Right of Entry / Early Occupancy Agreement, 2 pages
- 12. Small Business Subcontracting Plan ___pages

- 8. In the event of a conflict between the terms of this SF-2 and the SFO or its attachments, the terms contained in this SF-2 shall prevail.

SIGNATURE BLOCK ON FOLLOWING PAGE

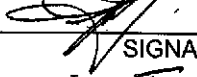
Revised 7/9/10

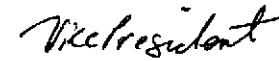
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IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

OWNER: Thomas Circle CF LLC

BY  _____
SIGNATURE
BY H Tu Juan C. Serrano
SIGNATURE

 _____
TITLE

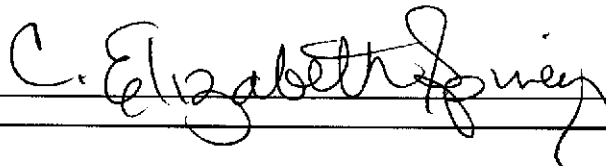
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IN PRESENCE OF:

 _____
SIGNATURE

 _____
ADDRESS

UNITED STATES OF AMERICA:

BY  _____ CONTRACTING OFFICER, GSA, NCR

