

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: DEC 1 1993

LEASE #GS-11B-30168 "neg"

THIS LEASE, made and entered into this date between:

Capitol Hill Associates Limited Partnership
d/b/a Cap-Hill Associates Limited Partnership

whose address is: c/o Union Center Plaza Associates
816 Connecticut Avenue, N.W., Suite 1200
Washington, DC 20006
ATTN: Mr. Samuel G. Rose, President, First Street Corporation, General Partner

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 425,000 net usable square feet (NUSF) of office and related space in the building commonly known as "Union Center Plaza III", located at 888 First Street, NE, Washington, DC. Such space will consist of the entire building, with the exception of certain retail spaces (see floor plans with respective per-floor square feet of space to be leased attached), to be used for such purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the 20 year firm term beginning on (see Paragraph 3.12 of SFO #90-061 "Construction Schedule") through (20 years after lease commencement, per Paragraph 3.12 of SFO #90-061), subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$14,365,000.00 at a rate of \$1,197,083.33 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Capitol Hill Associates Limited Partnership
c/o Union Center Plaza Associates
816 Connecticut Avenue, NW, Suite 1200
Washington, DC 20006
ATTN: Mr. Samuel G. Rose, President, First Street Corporation, General Partner

4. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

The Government shall have a renewal option and a purchase option as follows: The first option is to renew the lease for a period of ten (10) years at the end of the twenty (20) year firm term. The rent for this option shall be based on market conditions at the time such option is exercised as provided in Rider No. 5 of this lease. Should the Government exercise the option to renew the lease, it has an option to purchase the entire building at the conclusion of the option term for a price of \$20,000,000.00. The Government shall have the ability to exercise the renewal option provided notice be given in writing to the Lessor at least 180 days before the end of the original lease term, and shall have the ability to exercise the purchase option provided notice be given in writing to the Lessor at least 180 days before the end of the renewal option. 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.

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

- A. All services, maintenance, repairs and utilities as further defined in Solicitation for Offers #90-061.
- B. The provisions of SFO #90-061 are to be provided without modification.
- C. Any and all fire and life safety deficiencies that may be determined by the GSA Fire and Life Safety Branch shall be corrected prior to Government occupancy at the sole cost and expense of the Lessor, and at no cost or expense to the Government.
- D. The Government shall have the right either to pay lump sum, or to amortize into its rent for the space to be leased, and over the entire term of the lease, the cost of above building standard alterations (Attachment #3), at a rate of 8% per annum, on a per square foot basis. The Government reserves the right to amortize all or part of the above standard alterations into its rent for the space under lease. The agreed lump sum cost for the above standard alterations is \$6,905,106.00 (see Construction Costs for Above Standard Alterations section of the lease). The cost of the above standard alterations is not included in the rent.
- E. Included in the rental consideration the Government shall have 7 parking spaces onsite for official Government vehicles. The Government employees working at the building shall have the right of first refusal to lease 420 onsite parking spaces for their individual use, and at their own personal cost.
- F. The overtime rate for utilities (per paragraph 7.3 of SFO #90-061), is \$29.92 per hour.
- G. The first four (4) months of rent shall be free.

6. The following are attached to this Standard Form 2 (consisting of 2 pages) and made a part hereof:

- A. SFO #90-061 (38 PAGES)
- B. GSA FORM 1217 (1 PAGE)
- C. ATTACHMENT #1, UNIT COSTS/PRICES (19 PAGES)
- D. ATTACHMENT #2, UNIQUE CLEANING REQUIREMENTS - CHILD CARE CENTER (3 PAGES)
- E. ATTACHMENT #3, SPECIAL REQUIREMENTS SECTION (401 PAGES)
- F. RIDER #1 (1 PAGE)
- G. RIDER #2 (29 PAGES)
- H. RIDER #3 (2 PAGES)
- I. RIDER #4 (1 PAGE)
- J. RIDER #5 (8 PAGES)
- K. GSA FORM 3517 (23 PAGES)
- L. GSA FORM 3518 (7 PAGES)
- M. CERTIFICATION OF PROCUREMENT INTEGRITY (1 PAGE)
- N. FLOORPLANS OF ENTIRE SPACE (4 PAGES)
- O. LIST OF OWNERS AND PARTNERS (1 PAGE)
- P. CONSTRUCTION COSTS FOR ABOVE STANDARD ALTERATIONS (94 PAGES)

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

LESSOR Captiol Hill Associates Limited Partnership
By: First Street Corporation, General Partner

BY: Samuel G. Rose TITLE: FIRST STREET CORPORATION
Samuel G. Rose, President President

IN PRESENCE OF (witnessed by:)

ADDRESS: 816 Connecticut Avenue, Washington D.C. 20006.

UNITED STATES OF AMERICA

BY: Robert G. Roop CONTRACTING OFFICER, GSA, NCR, RED
Robert G. Roop