

GENERAL SERVICES ADMINISTRATION  
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT

No. 1

DATE

09/18/2012

TO LEASE NO. GS-11B-02287

ADDRESS OF PREMISES: 999 North Capitol Street, NE  
Washington, DC 20002-4529

THIS AGREEMENT, made and entered into this date by and between Union Square 941 Property, LP, whose address is:

c/o Akridge  
601 13<sup>th</sup> Street N.W., Suite 300 North  
Washington, D.C. 20005-3807

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, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon execution by the Government as follows:

1. This Supplemental Lease Agreement (SLA) Number 1 is hereby issued to reflect the lease commencement of Lease Number GS-11B-02287 for 15,907 Rentable Square Feet (RSF), being 14,231 ANSI/BOMA Office Area Square Feet (BOASF) of office and related space on a portion of the First Floor in the building known as Union Square North located at 999 North Capitol Street, NE, Washington, DC 20005-3807. The lease firm term is effective January 25, 2012 (the Lease Commencement Date) and shall expire on January 24, 2017, subject to the renewal right set forth in the SF-2.
2. Both parties herein acknowledge that the Government tenant intended to occupy the leased premises will not do so. As such, the Government is exercising its right under the SF-2, Section 6(h) to reduce the rental rate for vacant premises by \$3.15/BOASF (including \$1.00/BOASF daytime cleaning premium). Additionally, both parties acknowledge that the Government has expended \$60,164.19 of the \$499,081.17 tenant improvement allowance provided by the SF-2, leaving an unused balance of \$438,916.98. This balance will be "de-amortized" from the rental rate, reducing it by \$6.17/BOASF (\$438,916.98/5 years = \$87,783.40/14,231 BOASF = \$6.17/BOASF). While the unused balance will be "de-amortized" from the rental rate, the Lessor agrees that this amount shall be made available to the Government in the event the Government is able to backfill the space. If the Government exercises its right to "re-amortize" the remaining balance of the tenant improvement allowance, it will be amortized over the balance of the lease term and an SLA will be executed to increase the rental rate using the following amortization percentages:
  - A. Within 15 months of the Lease Commencement Date: 0%
  - B. Within 15-36 months of the Lease Commencement Date: 8%
  - C. 36 or more months from the Lease Commencement Date: Then-current market interest rate, not less than 8%
3. Reflected by the adjustments in Paragraph 2 above, the annual rate set forth in the SF-2 of \$694,330.49 (\$48.79/BOASF) shall be reduced to \$561,697.57 (\$39.47/BOASF) at the rate of \$46,808.13 per month in arrears. Rent for a lesser period shall be prorated. The annual rent includes an annual operating cost base adjusted for the vacant space credit of \$116,267.27 (\$8.17/BOASF), base year real estate taxes, and \$12,032.84 to amortize the expended tenant improvement allowance of \$60,164.19 at zero percent (0%) annual interest over the firm term of the lease. Notwithstanding the foregoing, the Government shall be entitled to a rent credit in the amount of \$231,443.48 to be applied against fully-serviced monthly rental payments until exhausted.
4. The Government's percentage of occupancy for tax purposes shall continue to be 4.94%, as calculated 15,907 RSF/322,231 RSF.

All other terms and conditions of the lease shall remain in force and in effect. It is understood that only upon execution by the Government does this SLA become binding on both parties.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR: Union Square 941 Property, LP

BY  (Signature)

Treasurer  
(Title)

IN THE PRESENCE OF (witnessed by):

BY  (Signature)

Assistant, Leasing  
(Title)

UNITED STATES OF AMERICA

BY  (Signature)

Contracting Officer, GSA, NCR, PBS  
(Title)