

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

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

July 14, 2011

LEASE #GS-11B-02287

THIS LEASE, made and entered into this date between Union Square 941 Property, LP

Whose address is: c/o Akridge
601 13th Street, NW
Suite 300
Washington, DC 20005-3807

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 15,907 BOMA Rentable Square Feet (RSF), [yielding 14,231 ANSI/BOMA Office Area Square Feet (BOASF)] of office and related space, located on a portion of the 1st Floor in Suite 100 in the office building known as Union Square North, located at 999 North Capitol Street, NE, Washington, DC 20002-4259. See Attachment 12, Floor Plan.

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 upon the lease commencement date determined with "Attachment #2 Construction Schedule" and ending FIVE YEARS later, subject the renewal right hereinafter set forth.

3. The Government shall pay the Lessor an annual rent of \$694,330.49 (\$48.79/BOASF) at the rate of \$57,860.87 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$161,094.92 (\$11.32/BOASF), base year real estate taxes, and \$100,070.16 to amortize the tenant improvement allowance of \$499,081.17 (\$35.07/BOASF) at zero (0%) percent annual interest. The operating cost base includes a daytime cleaning premium of [REDACTED]/BOASF. Payment of CPI adjustments to the operating cost and adjustments for real estate taxes shall be made by the Government in accordance with the SFO # 11-DC. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the sum of \$231,443.48 to be applied against fully-serviced monthly rental payments for the first four (4) months of the lease term until exhausted. Rent checks shall be payable to Union Square 941 Property, LP, c/o Akridge, 601 13th Street NW, Suite 300, Washington, DC 20005-3807.

4. (Intentionally Deleted)

5. The Government shall have the right to one (1) renewal option for a five (5) year firm term at an annual rental rate \$692,338.15 which is equivalent to \$48.65/BOASF ([REDACTED]/BOASF + [REDACTED]/BOASF for daytime cleaning), at the rate of \$57,694.85 per month in arrears plus accrued operating expenses from the initial term. Operating expense adjustments shall continue to be calculated from the initial base. The renewal option shall become effective provided notice be given in writing to the Lessor 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 the renewal term. Said notice shall be computed commencing 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.

Page 1 of 3

- a) Prior to substantial completion of the leased premises, Lessor shall correct all deficiencies and comply with all recommendations and findings of Solicitation Attachment #4, Fire Protection & Life Safety Evaluation report prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of the report.
- b) Tenant Improvements: Upon completion of improvements, if any, by Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. Tenant improvements financed by the Lessor shall be amortized at the rate of zero percent (0%) for improvements up to \$499,081.17 (\$35.07/BOASF). For tenant improvements between \$499,081.18 and \$598,840.48 (\$35.07 - \$42.08/BOASF) that are financed by the Lessor, the annual interest rate shall be nine and a half percent (9.5%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$598,840.48 (\$42.08/BOASF) in tenant improvements. Any tenant improvements funded by the Lessor in excess of this amount shall be repaid by the Government via lump sum payment in accordance with the SFO section 3. The Government reserves the right to convert any unused portion of this allowance to additional rental abatement and add accordingly to the amount stated in Paragraph 3.
- c) The Government, including individual Government employees, shall have the right to rent up to 16 parking permits at market rates, which rates are currently \$190 per unreserved permit and \$380 per reserved permit per month.
- d) The Government's percentage of occupancy for real estate tax purposes shall be 4.94%, based on 15,907 RSF / 322,231 RSF, subject to confirmation of the total rentable area of the entire building.
- e) Pursuant to Paragraph 4.1 of the SFO, the "Common Area Factor" is calculated to be 1.1177, as calculated: 15,907 RSF/14,231 BOASF.
- f) In connection with the buildout of Tenant Improvements, the general contractor's total fees for overhead and profit shall not exceed 4% and the general contractor's fees for general conditions shall not exceed 2%. The Lessor's total construction management & coordination fees for the Tenant Improvements for the Government's space shall be 2%, and architecture & engineering fees, if any, shall not exceed \$3.85/BOASF. All of these fees will be paid for out of the Tenant Improvement Allowance.
- g) The HVAC overtime rate shall reflect the Lessor's actual cost of providing overtime HVAC services, including personnel, and shall not exceed \$80.00 per hour per premises for the firm term of this lease. The Government reserves the right to require Lessor to provide actual bills for said services.
- h) Pursuant to section 4.4 of SFO #11-DC the adjustment for vacant premises shall be \$3.15/BOASF. Such adjustment shall be given only if the Government vacates 5,000 or more BOASF.
- i) Lessor and the Government have agreed to a schedule for the design, construction and delivery of space. The agreed upon schedule is attached as Attachment #2 Construction Schedule. The start date for the initial task shall commence within five (5) days of the full execution of this Lease and receipt of the Program of Requirements. The start dates for all subsequent tasks shall adjust accordingly with the durations for each task remaining the same. Should either the Government or the Lessor fail to discharge their responsibilities as defined herein within the time allocated under the agreed upon construction schedule, such failure shall constitute "delay," unless it is Excusable Delay. Delay caused by either party may be offset by the early completion of that party's other responsibilities within the schedule. The absolute value of the number of days of one party's delay minus the number of days of the remaining party's delays shall equal the total number of days of delay for a given stage of the schedule. Delay in substantial completion shall then be attributable to the party having caused the greatest number of days of delay and shall be termed either "Government Delay" or "Lessor Delay" as appropriate. If Government Delay occurs, then the rent commencement date shall be the same number of days earlier than the acceptance date as the number of days of Government Delay. Any rental paid by the Government prior to actual occupancy shall be less the cost for variable services and utilities not provided to the premises. If Lessor Delay occurs, the rent commencement date shall be the acceptance date. In any event, the Government will not be required to accept space and commence rent prior to the original date as indicated in the "Occupancy Date" paragraph of the SFO, unless otherwise agreed to by the Government. Following lease award the parties will meet and negotiate in good faith in an attempt to agree upon a revised schedule that achieves, at no additional expense to either party, a final completion date which might be sooner than is set forth in the schedule attached to the Lease as Attachment #2 Construction Schedule. Absent such an agreement, Attachment #2 Construction Schedule will govern.

Tenant shall have the right, in a location reasonably determined by Landlord, for the installation, operation and maintenance, at Tenant's expense, of one (1) satellite dishes or antennas and other related communications equipment ("Antenna"), (1) subject to the requirements of any law, ordinance, rule or regulation of any applicable governmental authority, including without limitation zoning and historic preservation laws, ordinances, rules and regulations, as well as any restrictive covenants encumbering the Building, (2) provided such use does not unreasonably interfere with the rights of other tenants in the Building to use the same for their existing antenna or any rights to install an antenna thereon set forth in a then existing written agreement, (3) subject to and in accordance with Landlord's review and approval of Tenant's requirements (including use, height, size, weight, installation requirements, etc.), which approval shall not be unreasonably withheld, delayed, or conditioned, and (4) provided such Antenna is not greater than one (1) meter in diameter, does not occupy more than a three foot by three foot area of roof space and is not more than three (3) feet in height. Tenant, at its sole cost and expense, will be responsible for the repair of any roof damage caused by the installation, ongoing use, maintenance or removal of such devices.

k) The Lessor shall cause all cleaning within the Government's demised area to be performed between the hours of 8:30a.m. and 4:30 p.m., Monday through Friday.

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

1. Solicitation For Offers (SFO) # 11-DC, 52 pages
2. Security Rider, 1 page
3. Fire & Life Safety Rider, 1 page
4. Solicitation Attachment #1, Rate Structure, 1page,
5. Attachment #2 Construction Schedule, Below 92,000 BOMA Office Area Square Feet, 1 page
6. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
7. Solicitation Attachment #4, Fire Protection & Life Safety Evaluation, 7 pages
8. GSA Form 1217, Lessor's Annual Cost Statement, 2 pages
9. GSA Form 1364, Proposal To Lease Space, and its attachment, 4 pages
10. GSA Form 3517, General Clauses, 32 pages
11. GSA Form 3518, Representations and Certifications, 7 pages
12. Floor Plan of Leased Area, 1 page

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

LESSOR: Union Square 941 Property, L.P.

By: CID/Union Square 941 GP LLC,

BY

BY Avraham Shemesh, Treasurer

IN PRESENCE OF

Lauren Maddox

ADDRESS

6922 Hollywood Blvd., Ste 900, Los Angeles, CA 90028

UNITED STATES OF AMERICA

BY [Signature] CONTRACTING OFFICER, GSA, NCR

Page 3 of 3