

LEASE NO. GS-11P-LDC00261

This Lease is made and entered into between

CIM Urban REIT Properties III, LP

(Lessor), whose principal place of business is c/o CIM Group, 4700 Wilshire Boulevard, Suite 300, Los Angeles, CA 90010 and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

800 North Capitol Street, NW, Washington, DC 20002

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such office and related purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of **10 Years, 10 Years Firm**

subject to one five-year renewal right as may be hereinafter set forth in Section 1.06 below. The commencement date of this Lease, along with any applicable renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Entity Name: CIM Urban REIT Properties III, LP, a Delaware limited partnership

Name: Kevin T. Morrison

CIM Urban REIT GP II, LLC, a Delaware limited liability company its general partner

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Name: Terry Wachsner
Title: Vice President

Date: **APR 06 2017**

Date: **3/27/17**

WITNESSED FOR THE LESSOR BY:

Name: **Paula Dorman - Suby**

Title: **Mgr - Lease Administration**

Date: **3/27/17**

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SEP 2015)

The Premises are described as follows:

- A. Office and Related Space: 18,400 rentable square feet (RSF), yielding 16,000 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 5th floor and known as Suite 565, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. Common Area Factor: The Common Area Factor (CAF) is established as 15.00 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.
- C. Intentionally deleted

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. Parking: ZERO (0) parking spaces, reserved for the exclusive use of the Government, of which ZERO (0) shall be structured/inside parking spaces, and ZERO (0) shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease. The Government's right to affix [REDACTED] envelope shall be subject to the Government being provided its pro rata share of the roof space, code compliance, maximum load capacity, jurisdictional approvals, warranties, and Lessor's consent (not to be unreasonably withheld, conditioned or delayed). Installation and use of such equipment shall be at the Government's sole cost and expense (including utilities) and subject to shielding requirements and shall not interfere with the Building's systems or existing roof equipment of other tenants. The Government's access to the roof shall be coordinated with Lessor and a Lessor representative shall be present during any such access.

1.03 RENT AND OTHER CONSIDERATION (SEP 2015)

- A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM YEAR 1-5	FIRM TERM YEAR 6-10
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$ 601,781.32	\$ 643,181.32
TENANT IMPROVEMENTS RENT ²	\$ 68,560.00	\$ 68,560.00
OPERATING COSTS ³	\$ 163,658.68	\$ 163,658.68
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 40,000.00	\$ 40,000.00
PARKING	N/A	N/A
TOTAL ANNUAL RENT	\$ 874,000.00	\$ 915,400.00

¹Shell rent calculation (Firm Term):

Year 1-5: \$32.71 (rounded) per RSF multiplied by 18,400 RSF

Year 6-10: \$34.96 (rounded) per RSF multiplied by 18,400 RSF

²Tenant Improvements of \$685,600.00 are amortized at a rate of 0 percent per annum over 10 years.

³Operating Costs rent calculation: \$8.89 (rounded) per RSF multiplied by 18,400 RSF

⁴Building Specific Amortized Capital (BSAC) of \$400,000.00 are amortized at a rate of 0 percent per annum over 10 years

- B. Intentionally deleted
- C. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 16,000 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- D. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

F. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

G. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered and active in SAM.

H. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

I. Intentionally deleted

J. In accordance with the Lease negotiations, the Lessor has offered free rent to the Government for the first TWELVE (12) months of the Lease. Therefore, the first TWELVE (12) months of the Lease shall be provided at no cost to the Government.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015)

A. JONES LANG LASALLE AMERICAS, INC. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission will be payable to JONES LANG LASALLE AMERICAS, INC. with the remaining [REDACTED], which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 13 Rental Payment \$72,833.33 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 13th Month's Rent.*

Month 14 Rental Payment \$72,833.33 minus prorated Commission Credit of [REDACTED] 0 equals [REDACTED] adjusted 14th Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 TERMINATION-RIGHTS-(AUG-2014) INTENTIONALLY DELETED

1.06 RENEWAL RIGHTS (SEP 2013)

This Lease may be renewed at the option of the Government for a term of [REDACTED] at the following rental rate(s):

OPTION TERM, YEARS [REDACTED]-[REDACTED]		
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	[REDACTED]	[REDACTED] (ROUNDED)
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least ONE HUNDRED EIGHTY (180) days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2015)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	No. OF PAGES	EXHIBIT
FLOOR PLAN	1	A
AGENCY PROGRAM OF REQUIREMENTS DATED 8/15/2016	44 43	B
FACILITY SECURITY LEVEL 3 REQUIREMENTS	10	C
ICD-705, TECHNICAL SPECIFICATIONS FOR CONSTRUCTION AND MANAGEMENT OF SCIF (VERSION 1.3)	165 177	D
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	2	E
GSA FORM 3517B, GENERAL CLAUSES	15	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	12	G
RIDER #1 - FIRE PROTECTION & LIFE SAFETY	104 1	H
SMALL BUSINESS SUBCONTRACTING PLAN	21	I

GOVT / LESSOR
KTM

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

- A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$42.85 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent.
- B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed upon amortization rate over the Firm Term.
- C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in rent according to the agreed upon amortization rate over the Firm Term.
- D. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:
1. Reduce the TI requirements;
 2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
 3. Negotiate an increase in the rent.

1.09 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF)	\$4.25
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5.00%
GENERAL CONTRACTOR'S GENERAL CONDITIONS (% OF TI CONSTRUCTION COSTS)	5.00%
GENERAL CONTRACTOR'S FEE (% OF TI CONSTRUCTION COSTS)	5.00%

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$25.00 per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 0 percent.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

- A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent according to the agreed upon amortization rate over the Firm Term.
- B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for

the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in rent according to the agreed upon amortization rate over the Firm Term.

- C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:
1. Reduce the security countermeasure requirements;
 2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
 3. Negotiate an increase in the rent.

1.12 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 5.9 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 18,400 RSF by the total Building space of 314,664 RSF.

1.13 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base shall be the first fully assessed Lease Year beginning with the Lease Commencement Date and continuing for twelve (12) full calendar months. Notwithstanding anything to the contrary, each adjustment year for the purposes of real estate tax reimbursements shall be based on comparing the real estate taxes for the applicable Lease Year (each an "Adjustment Year") against the real estate taxes for the Real Estate Tax Base. By example, if the first fully assessed Lease Year is January 18, 2018 through January 17, 2019, then each subsequent Adjustment Year shall be January 18 through January 17, which the parties acknowledge may require prorations over multiple tax years.

1.14 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$8.89 per RSF (\$163,658.68/annum).

1.15 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$1.25 per ABOA SF of Space vacated by the Government; provided that such adjustment shall be for the vacation of half or more of the premises. No credit shall be applied for the vacation of less than half the premises.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$110.00 per hour per zone
- No. of zones: 1

1.17 24-HOUR-HVAC-REQUIREMENT-(SEP-2014)-INTENTIONALLY DELETED

1.18 BUILDING-IMPROVEMENTS-(MAR-2016) INTENTIONALLY DELETED

1.19 HUBZONE-SMALL-BUSINESS-CONCERNS-ADDITIONAL-PERFORMANCE-REQUIREMENTS-(MAR-2012)-INTENTIONALLY DELETED