

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

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: SEP 13 2005

LEASE #GS-11B- 01843

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

LHL REALTY COMPANY DC, LLC
c/o ALGIN Management
64-35 Yellowstone Boulevard
Forest Hills, New York 11375

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 520,180 BOMA Rentable Square Feet (RSF) (yielding approximately 486,196 BOMA Office Area Square Feet) being the entire rentable area on the concourse and floors 1 through 10 (including all of the entrance lobbies, but with the exception of the management office on the concourse level) of building known as the Patrick Henry Building, and as shown on the floor plans attached to and made part hereof, with the address being 601 D Street, NW, Washington, DC 20001, to be used for office and related purposes as determined by the Government.

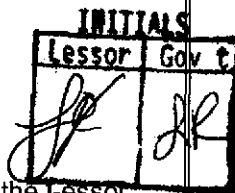
2. TO HAVE AND TO HOLD the said premises with their appurtenances for a TEN (10) YEAR firm term beginning on September 1, 2005 and ending on August 31, 2015. The foregoing lease commencement date is a firm fixed date and not subject to any conditions precedent.

3. The Government shall pay the Lessor an annual rent of \$21,457,425.00 (\$41.25/RSF) (such rate being equal to \$44.13328/BOASF) at the rate of \$1,788,118.75 per month, in arrears. Rent shall be paid in addition to Operating Expense Adjustments and Tax Adjustments accruing during the term of the Lease per the SFO to the Lessor at the following address:

LHL Realty Company DC, LLC
c/o ALGIN Management
64-35 Yellowstone Boulevard
Forest Hills, New York 11375

4. ~~The government may terminate this lease at any time by giving at least _____ days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

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



LESSOR *[Signature]* GOVT *[Signature]*

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 REQUIRED BY THIS LEASE AND THE ATTACHMENTS HERETO ARE TO BE PROVIDED AS PART OF THE ANNUAL RENT. THIS LEASE IS FULL SERVICE.

- a) Pursuant to SFO paragraph 1.9 "Warm-lit Shell Requirements", The Government accepts the warm-lit shell condition in its current configuration and cosmetically existing condition and the Government will not request or be entitled to a rent credit for such warm-lit shell improvements. However, the Lessor shall be responsible for maintaining, all items in paragraph 1.9 "Warm-Lit Shell Requirements" in good repair and tenantable condition throughout the term of this Lease in accordance with the requirements of the Lease and its attachments. The acceptance of such items 'As Existing' does not relieve the Lessor from any other obligations it may have in the Lease for future alterations, maintenance, repairs, replacements and/or other improvements, whether at its cost or at the Government's cost and all such future alterations, repairs, replacements and/or other improvements shall be performed in compliance with the standards set forth in the Lease (SFO) and shall result in the quality and function of the premises no less than the quality and function indicated in the Lease (SFO). The Lessor hereby waives any restoration rights it may have with respect to the improvements to the leased premises in place as of the date of this lease agreement.
- b) The annual rent set forth in Paragraph 3 includes a \$14.12/RSF ($\$14.12 \times 520,180 \text{ RSF} = \$7,344,941.60$) tenant improvement allowance. This allowance has been amortized into the rent at a rate of 0.0%. The foregoing tenant improvement allowance shall be applied as directed by the Government to pay for the costs of any upgrades, renovation, modification, re-painting, re-carpeting or any other improvements which may be desired by the Government to be made to the leased space during the term of the lease. The annual rent set forth in Paragraph 3 also includes a \$150,000.00 lobby desk improvement allowance which shall be applied to the design and construction of a new lobby desk in accordance with plans prepared by the Lessor and reviewed by the Government.
- c) The cost of markups for any renovation or improvement work undertaken at the leased premises shall be [REDACTED]^(d) and comprised of [REDACTED] for the General Contractor's Overhead, [REDACTED] for General Contractor Profit, and [REDACTED] for the Lessor Fee. These rates apply even if the Government pays for the costs of such work via lump sum payment. Design costs for any such improvements or renovations shall be considered a cost of such work.
- d) The annual rent set forth in Paragraph 3 includes daytime cleaning and maintenance of the lobby. The Lessor shall cause all janitorial work to take place in the Government's space to be performed between 8:30 am and 4:30 pm, Monday through Friday.
- e) The annual rent set forth in Paragraph 3 includes an operating cost base of \$3,844,130.20 (\$7.39/RSF) for the purpose of calculating future operating cost adjustments as provided for in the Lease. This amount includes all costs associated with daytime cleaning.
- f) The Government's percentage of occupancy for real estate and BID tax purposes shall be 100.00%, based upon Government occupancy of the entire 520,180 RSF in the building. Base year real estate taxes are agreed to be \$2,242,518.88.
- g) The adjustment for vacant premises as defined by the Lease shall be \$1.25 per rentable square foot. The adjustment shall be applicable only to full floors completely vacated by the Government.
- h) The HVAC overtime utility rate shall be \$55.00 for the first hour (which includes engineering services) for the initial floor placed in service plus \$12.00 for the first hour for each additional floor placed in service. For all additional consecutive hours the rate shall be \$12.00 per floor. In the event a building engineer is required without HVAC overtime services, the rate shall be \$45.00 per hour. The foregoing rates shall be adjusted annually by the percentage increase in the Consumer Price Index in the same manner as the building's operating costs.
- i) In connection with the attached Fire Protection and Life Safety Evaluation, the Lessor shall be responsible for correcting items 1 thru 9 at the Lessor's cost and the Government shall be responsible for correcting item 10 at the Government's cost.

LESSOR

GOVT

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

1. Rider No. 1, Security Procedures, 1 page
2. Solicitation for Offers (SFO) # 04-041, 55 pages
3. Solicitation Attachment #1, Rate Structure, 1 page
4. Solicitation Attachment #2, Fire Protection and Life Safety Evaluation, 25 pages
5. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
6. GSA Form 3517, General Clauses, 28 pages
7. GSA Form 3518, Representations and Certifications, 5 pages
8. Floor Plans of Leased Area, 7 pages
9. Small Business Subcontracting Plan, 14 pages

8. In the case of a conflict between this GSA Standard Form 2 (SF-2) and the balance of the lease, the terms specified in this SF-2 shall govern.

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

LESSOR: LHL Realty Company DC, LLC

BY *Kravis*
signature

BY *Managing Member*
title

IN PRESENCE OF *[Signature]*

ADDRESS *535 11th ST NW, Ste 300, MD 20004*

UNITED STATES OF AMERICA

BY *Lisa Richmond*
Signature

CONTRACTING OFFICER, GSA, NCR

LESSOR

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