

STANDARD FORM 2
GENERAL SERVICES
ADMINISTRATION

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: 12/22/08

LEASE # GS-11B- 02074

THIS LEASE, made and entered into this date between 2100 2nd Street Holdings, LLC

whose address is: c/o Monday Properties
230 Park Avenue, Suite 500
New York, New York 10169-5000

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises (the "Premises", as more particularly described in Exhibit A):

A total square footage deemed to be 592,128 ANSI/BOMA 1996 rentable square feet (BRSF) (545,051.95 ANSI/BOMA 1996 office area square feet (BOASF)), on a portion of the lower level of and the entire rentable/usable area of floors 1 through and including 6 in that certain office building located at 2100 2nd Street, SW, Washington, DC (the "Building"). The Premises does not include a portion of the lower level of the Building that is operated by a third party as a cafeteria. The Premises shall be used solely for office and related purposes.

2. TO HAVE AND TO HOLD the Premises with their appurtenances for a ten year term, seven years firm, beginning retroactively as of **May 16, 2008** (the "Commencement Date"), subject to the termination rights set forth herein in Paragraph 4 below.

3. The Government shall pay the Lessor annual base rent of \$19,913,264.64 (\$33.63 per rsf) at the rate of \$1,659,438.72 per month in arrears. The rent shall commence as of the Commencement Date. Rent for a period of less than a month shall be prorated based upon the number of days in such month.

Rental payments shall be made to: **2100 2nd Street Holdings, LLC:**

c/o Monday Properties
230 Park Avenue, Suite 500
New York, NY 10169
Attn: Theresa Piscitelli

4. The Government shall have a one-time only right to terminate this Lease in its entirety, exercisable only by giving prior irrevocable written notice to Lessor of the exercise of such termination not earlier than May 1, 2013 and not later than July 31, 2014, for the sole purpose of moving the entire [REDACTED] Headquarters in connection with a consolidation of the various agencies of the [REDACTED]. Said termination, if properly and timely given (time being of the essence), shall be effective as of 11:59 p.m. on the date which is twenty-four (24) months after the date such notice is delivered to Lessor (i.e., in no event later than July 31, 2016).

5. This Lease is not subject to any renewal rights whatsoever.

LESSOR

GSA

Signature Page

6. The Government shall accept and continue to occupy the Premises in their "as-is" condition and Lessor shall have no obligation whatsoever to make any structural or other improvements in or to any part of the Premises, the Parking Garage or the Building in the preparation for the Government's occupancy under this Lease (including, without limitation, all LEED specifications set forth in the SFO), except that (i) the acceptance of the Premises "as-is" shall not relieve Lessor from future alterations, repairs, maintenance, replacements or other obligations set forth in the SFO which shall be performed in accordance with the standards set forth in the SFO and result in the continued quality and function of the Premises at or above their levels as of the date of this Lease, and (ii) Lessor shall, at Lessor's sole cost and expense, perform the following work ("Lessor's Work") within the timeframes specified (subject to force majeure and Government delay):

A. VERTICAL HVAC BALANCING: The Base Building HVAC system begins with the majority of the HVAC equipment located in the penthouse level of the Building. Conditioned air is distributed vertically from the penthouse level to each of eight (8) Base Building HVAC Zones as shown on Exhibit B (the "HVAC Zones"). In order to maximize the efficiency and performance of the Base Building HVAC System, not later than the 90th day after the date of full execution of this Lease by both parties, Lessor shall begin re-balancing the main vertical portion of the Base Building HVAC system pursuant to the standards set forth in the SFO (the "Base Building Vertical Re-Balancing"). The Base Building Vertical Re-Balancing shall include, but not be limited to, the following:

- i. Install new or retrofit existing outside air intake dampers serving the Base Building HVAC system (24 dampers)
- ii. Install new or retrofit existing return air dampers serving the Base Building HVAC System (8 dampers)
- iii. Install new or retrofit existing relief dampers serving the Base Building HVAC System (12 dampers)
- iv. Install new state of the art digital energy management system ("EMS System") which will optimize the performance Base Building HVAC System by providing instant control of system in lieu of the current system

B. HORIZONTAL HVAC BALANCING: The Base Building HVAC conditioned air that is distributed vertically from the penthouse is distributed horizontally to the occupied Premises through a single balancing damper per zone, per floor. As stated above, each floor has eight (8) HVAC zones and Lessor will make significant modifications to re-balance each horizontal HVAC Zone in order to meet the performance specifications outlined in the SFO once the Government commences its Substantial Renovations (defined below) of its occupied space ("Occupied Premises Horizontal Re-Balancing"). "Substantial Renovations" means that the Government demolishes the existing improvements and reconstructs or reconfigures the interior partitions within a zone or zones on an office floor of the Building, which demolition and reconstruction or reconfiguration will necessitate the removal of all of the occupants in such zone(s), including the removal of the Government's personal property. The Occupied Premises Horizontal Re-Balancing shall include, but not be limited to, the following:

- i. Install new insulated duct work
- ii. Install new balancing dampers
- iii. Complete integration into the new EMS System

C. Lessor shall not be obligated to perform Occupied Premises Horizontal Re-Balancing more than one time per zone during the Lease Term. After both the Base Building Vertical Re-Balancing and the Occupied Premises Horizontal Re-Balancing has been completed in any specific HVAC Zone, such HVAC Zone shall comply with the terms of Section 6.7 of the SFO.

D. Not later than the 365th day after the date of full execution of this Lease by both parties (subject to Excusable Delays as defined in the General Clauses, and any Government delay), Lessor shall complete modification of the Base Building's electrical distribution serving the Building such that a majority of the electricity in the Building serving critical base building electrical and mechanical functions (such as general power, lighting and HVAC) shall be distributed from the switch gear room located on the roof of the Building inside the mechanical penthouse ("Upper Switch Gear"), rather than being equally distributed between the Upper Switch Gear and the other switch gear room located on the D level of the Building ("Lower Switch Gear"). The modifications referenced in the preceding sentence to the Base Building electrical distribution shall be performed in a manner such that, in the event of a major flood at the Building which impacts the ground level or the below grade parking levels of the Building, electrical service to the critical base building electrical and mechanical functions (such as general power, lighting and HVAC) will continue to be operational on office floors one (1) through six (6). After such modifications have been completed the Premises shall comply with the terms of Sections 6.10 – 6.12 of the SFO.

E. Not later than forty-two (42) weeks after the date of full execution of this Lease by both parties, Lessor shall upgrade both sets of restrooms for men and women on each office floor of the Building, as prescribed by, and in accordance with, recommendations made by the United States Access Board, with respect to ABAAS compliance on each such floor. In addition, if at any time during the firm term, Substantial Renovations by the Government trigger additional restroom upgrades for ABAAS compliance, then Lessor shall perform such restroom upgrades on the affected floors at Landlord's sole cost and expense.

7. As part of the rental consideration, the Government shall be entitled to parking permits in the Building garage (a three (3) level parking garage, comprised of levels "M", "C", and "D") for up to 40 standard-sized passenger automobiles. In addition, the Government shall have the one-time right to elect, not later than the 120th day after the date of full execution of this Lease by both parties, by written notification to Lessor, to lease the remainder of the Building garage (for up to an additional 626 parking permits) separate and apart from the rental due under Paragraph 3 hereof, at an annual aggregate parking fee of \$1,502,400 (626 x 12 x \$200.00) (\$125,200 per month in arrears). If the Government so elects, the parking fee shall be effective retroactively as of the Commencement Date. Commencing on the first anniversary of the Commencement Date, and every anniversary thereafter, the annual parking fee applicable to the entirety of the parking garage shall escalate at a rate of three percent (3%). If the Government does not elect to lease the entire remainder of the Building garage within such one hundred twenty (120) day period, then Lessor may, at Lessor's option, lease or otherwise transfer the Building garage to third parties in Lessor's sole discretion.

8. The following additional terms shall apply:

A. For purposes of Paragraphs 3.5 and 3.6 of the SFO, as of the date hereof, the Government's percentage of occupancy is 97.43 %, based on occupancy of 592,128 BRSF in a Building of 607,736 total BRSF.

B. For purposes of Paragraphs 3.5, 3.7, and 3.8 of the SFO, the base year for real estate taxes shall be May 16, 2008 through May 15, 2009 and the base amount for operating expense adjustments shall be \$1,409,441.00.

C. Pursuant to Paragraph 7.3 of the SFO, the overtime HVAC rate shall be \$18.75 per hour/per zone, with a minimum of three (3) hours. Such rate includes a component for the costs of Lessor's engineers and depreciation of the equipment, and shall be subject to increase from time to time, based upon actual increases in electricity and/or labor costs.

D. Pursuant to Section 7.4 of the SFO, all water and electricity costs are excluded from the rental consideration. The Premises is currently separately metered for such purposes and the Government pays the provider directly for such services. Lessor hereby represents to the Government that the lower level cafeteria is separately metered from the Premises for utilities.

E. Notwithstanding anything to the contrary in the Solicitation (including, without limitation,

Paragraphs 7.1 and 7.10 of the SFO), Lessor shall not be responsible for the maintenance, repair or replacement of any Government-owned equipment including but not limited to, modular or systems furniture, computers, copiers, data equipment and wiring, mail-handling equipment, office machines, telecommunications equipment and wiring, refrigerators, and security equipment such as magnetometers and x-ray machines. Furthermore, the Government shall be responsible for making all repairs within the Premises which are the direct result of, and result solely from, the willful misconduct of a Government employee.

F. Notwithstanding anything to the contrary in the Solicitation (including, without limitation, Article 9 of the SFO) the Government's right to install additional security devices and implement additional security measures within portions of the Premises and the Building common areas shall be: (a) made at the Government's sole cost and expense; (b) subject to the Government being responsible for the maintenance, repair and testing of the same; and (c) subject to Lessor's requirement that the same be removed at the expiration or termination of the Lease at the Government's sole cost and expense.

G. In the event of any assignment or subletting, the proposed assignee or subtenant shall be subject to the prior written consent of Lessor, which shall not be unreasonably withheld, conditioned or delayed.

H. The Government's right to substitute a different governmental tenant agency pursuant to Section 6 of Form 3517B shall be strictly limited to agencies that: will not bring or hold prisoners or detainees into the Building for more than 48 hours or use the Building for prison purposes. The Government shall pay any increase in costs associated with the substitution of a Government agency or agencies, if applicable.

I. Prior to the Government initiating a remedy in the case of default by Lessor, which remedy involves a termination of the Lease or a withholding of 50% or more of any monthly base rent payment, the Government shall notify Lessor, and any applicable lender, of the default in writing. Lessor and the applicable lender, if any, shall be afforded a reasonable period of time (not less than sixty (60) days after receipt of notice) to cure any default; provided, however, that such notice and cure period shall not be applicable in the event such Lessor default results in a life, health or safety emergency. Lender as used herein means any financial institution or trustee which is the holder of a first mortgage, deed of trust or other security instrument that constitutes a lien on all or a portion of Lessor's interest in the Premises, or any other security interest in or assignment of the Lease or the rent thereunder.

J. Notwithstanding anything to the contrary in the Lease (including Section 17 of Form 3517B), in the case of partial destruction or damage, if restoration can reasonably be substantially completed within three hundred sixty-five (365) days after the date of the casualty, then Lessor shall promptly commence repair or restoration of the Premises and diligently and continually pursue such repair or restoration. The Lease shall not terminate and the rent shall abate, either in its entirety or, if only a part of the Premises is so affected, proportionately based upon the ratio of square footage of the affected part to the total square footage of the Premises during restoration. Lessor shall have the right to elect, upon written notification to the Government not later than thirty (30) days after the date of such destruction or damage, to: (a) agree to reimburse the Government for the difference, if any, between the rent due under the Lease and the rent paid by the Government for temporary space during restoration of the Premises, including, without limitation, moving costs to and from such temporary space (unless such partial damage or destruction is the result of the negligence or willful misconduct of the Government, or a Government employee, invitee, agent or contractor, in which case Lessor shall have no liability for such cost differential or move costs) up to a maximum amount of \$1,000,000; or (b) to terminate the Lease. Any such abatement shall commence upon and include the day on which the damage occurred and shall continue to and include the date of substantial completion of the restoration. If such partial destruction or damage occurs in the last eighteen (18) months of the Lease Term, Lessor may, in Lessor's sole discretion, terminate this Lease upon prior written notice to the Government delivered not later than thirty (30) days after the date of such destruction or damage.

K. As is typical of buildings of comparable age, the Building contains Asbestos Containing Material ("ACM"). Lessor has an operations and maintenance plan ("O&M Plan") prepared by ATC Associates, Inc., dated March 24, 2008. To Lessor's knowledge, such ACM, in its current state, does not present a

hazardous condition. The Government shall not, nor shall the Government permit others to, commence or conduct any activities (including but not limited to any alterations) in any manner which might disturb the ACM. Lessor shall: (a) determine whether or not any or all of the ACM should be repaired, encapsulated, removed, or managed in place; (b) notify the Government of Lessor's determination; and (c) pay for the difference between the costs to complete such action in accordance with applicable legal requirements and the costs that would otherwise be incurred by the Government in connection with any approved alterations if such materials did not contain asbestos. The Government agrees to cooperate at all times with Lessor in ensuring compliance with all legal requirements applicable to ACM. Notwithstanding the foregoing, if Lessor disturbs any existing ACM, then Lessor shall be responsible for all costs of repair, encapsulation, removal, and remediation.

9. In accordance with Paragraph 1.13 "Broker Commission and Commission Credit" of the Lease, Jones Lang LaSalle ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. Lessor and Broker have agreed to a broker commission of approximately [REDACTED] of the lease value for years 1-7. The total amount of the commission is [REDACTED]. In accordance with Paragraph 1.13 of the SFO, Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED] and shall be paid as free rent for a portion of the first month of the Lease. The Lessor agrees to pay Broker the Commission, less the Commission Credit, in the lump sum amount of [REDACTED], which shall be due to Broker upon execution and delivery of this Lease by the Government and payable not later than thirty (30) days after receipt of an invoice from Broker.

10. In the event of any conflict between the specifically noted terms of this SF-2 and any other term or condition of this Lease, the terms of this SF-2 shall govern. If any terms or conditions are not referenced in this SF-2, then the terms and conditions elsewhere in the Lease shall govern.

11. The following are attached hereto and made a part hereof:

- A. Floor Plans of the Premises - 2 pages
- B. HVAC Zones - 1 page
- C. Solicitation For Offers No ~~TBD~~ 09-009 - 50 pages
- D. Rate Structure - 2 pages
- E. Fire Protection and Life Safety Evaluation - 9 pages
- F. Pre-Lease Building Security Plan - 6 pages
- G. Document Security Form (Form B) - 2 pages
- H. Solicitation Provisions (Form 3516A) - 6 pages
- I. Authorization and Release Statement - 2 pages
- J. GSA Form 1364 - Proposal to Lease Space - 2 pages
- K. GSA Form 1217 - Lessor's Annual Cost Statement - 2 pages
- L. GSA Form 3517B - General Clauses - 33 pages
- M. GSA Form 3518 - Representations and Certifications - 8 pages
- N. Small Business Subcontracting Plan

12. The following changes were made in this Lease prior to its execution:
Paragraph 5 has been revised in its entirety.

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

LESSOR
EAST41985493.23

GSA

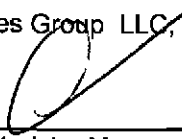
LESSOR: 2100 2nd Street Holdings, LLC., a Delaware limited liability company

By: VEF Monday Transpoint Associates, LLC, a Delaware limited liability company, its manager

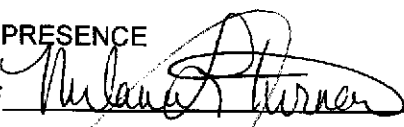
By: 2100 Partners, LLC, a Delaware limited liability company, its managing member

By: 2100 Monday, LLC, a Delaware limited liability company, its manager

By: Monday Properties Group LLC, a Delaware limited liability company, its manager


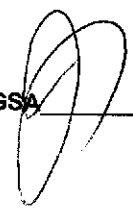
BY 
Anthony Westreich, Manager

IN PRESENCE

OF  ADDRESS 230 Park Ave, Suite 900, NY, NY 10169

UNITED STATES OF AMERICA

BY 
JAMES SMALE, CONTRACTING OFFICER

LESSOR   GSA

Signature Page