

LEASE NO. GS-11P-LDC12624

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

CIM Urban REIT Properties III, L.P.

(Lessor), whose principal place of business is 6922 Hollywood Boulevard, Suite 900, Los Angeles, CA 90028-6129, 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, D.C. 20002-4244

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 purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term, beginning on **June 30, 2013** and ending on **June 29, 2023**, and continuing for a period of

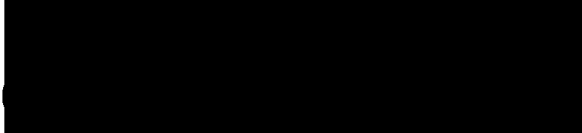
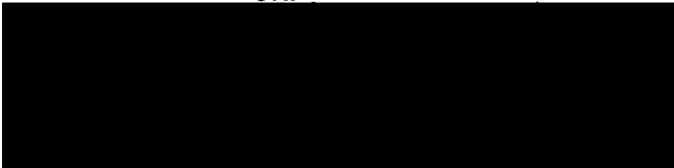
10 Years, 10 Years Firm.

The commencement date of this Lease, along with any applicable termination and 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: _____

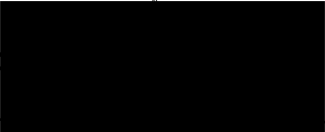
Date: 3/26/2014

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: APR 03 2014

WITNESSE



Name: Erik H. Talo

Title: Operator

Date: 3/26/2014

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 (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: **36,786** rentable square feet (RSF), yielding **31,989** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space consisting of 27,762 RSF (24,142 ABOA) on the 2nd floor and 9,024 RSF (7,847 ABOA) on the 7th floor 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 **1.149958**. 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.

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: **22** parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which **22** shall be structured/inside parking spaces, and **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. This paragraph intentionally deleted.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, in two (2) phases. The first phase shall be for 27,762 RSF (24,142 ABOA) of office and related space on the 2nd Floor and 20 structured parking spaces, effective on June 30, 2013 and expiring on June 29, 2023. The second phase shall be for 9,024 RSF (7,847 ABOA) of office and related space on the 7th Floor and two (2) structured parking spaces, upon substantial completion and acceptance of the space by the Government.

Effective **June 30, 2013**, the Government shall pay the Lessor annual rent, payable in monthly installments in arrears for 27,762 RSF (24,142 ABOA) of office and related space on the 2nd Floor and 20 structured parking spaces at the following rates:

	YEARS 1-5	YEARS 6-10
	JUNE 30, 2013 TO JUNE 29, 2018	JUNE 30, 2018 TO JUNE 29, 2023
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$991,695.46	\$1,047,219.46
TENANT IMPROVEMENTS RENT ²	\$57,766.40	\$57,766.40
OPERATING COSTS ³	\$241,471.14	\$241,471.14
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 0.00	\$ 0.00
PARKING ⁵	\$0.00	\$ 0.00
TOTAL ANNUAL RENT⁶	\$1,290,933.00	\$1,346,457.00

¹Shell rent calculation:

(Years 1-5) \$35.721326 per RSF multiplied by 27,762 RSF

(Years 6-10) \$37.721326 per RSF multiplied by 27,762 RSF

²The Tenant Improvement Allowance of \$677,663.95 is amortized at a rate of 0 percent per annum over 10 years.

³Operating Costs rent calculation: \$8.697901 per RSF multiplied by 27,762 RSF

⁴Building Specific Amortized Capital (BSAC) of \$XX are amortized at a rate of X percent per annum over XX years

⁵Parking costs described under sub-paragraph H below

⁶The Government shall be entitled rent abatement in the total value of \$1,282,911.75 during the firm term of the lease as described in Section 7.03

Upon substantial completion and acceptance of the space by the Government, the Government shall pay the Lessor annual rent, payable in monthly installments in arrears, for 9,024 RSF (7,847 ABOA) of office and related space on the 7th Floor and two (2) structured parking spaces. Upon acceptance of the space by the Government, a lease amendment will be executed to memorialize the rent commencement of the 7th Floor and two (2) structured parking spaces and this space shall be co-terminus with the 2nd Floor office and related space and 20 structured parking spaces, expiring on June 29, 2023. The rates are as follows:

	YEARS 1-5	YEARS 6-10
	UPON SUBSTANTIAL COMPLETION AND ACCEPTANCE OF THE SPACE BY THE GOVERNMENT TO JUNE 29, 2018	
	JUNE 30, 2018 TO JUNE 29, 2023	
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$341,126.14	\$359,174.14
TENANT IMPROVEMENTS RENT	\$0.00	\$0.00
OPERATING COSTS ²	\$78,489.86	\$78,489.86
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ³	\$ 0.00	\$ 0.00
PARKING ⁴	\$0.00	\$ 0.00
TOTAL ANNUAL RENT⁵	\$419,616.00	\$437,664.00

¹Shell rent calculation:

(Years 1-5) \$37.802099 per RSF multiplied by 9,024 RSF
 (Years 6-10) \$39.802099 per RSF multiplied by 9,024 RSF

²Operating Costs rent calculation: \$8.697901 per RSF multiplied by 9,024 RSF. Subject to Operating Cost Adjustments as described in Section 2.09.

³Building Specific Amortized Capital (BSAC) of \$XX are amortized at a rate of X percent per annum over XX years

⁴Parking costs described under sub-paragraph H below

⁵Subject to Operating Cost Adjustments as described in Section 2.09

In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

B. Rent for the entire leased space, full 2nd floor and partial 7th floor, is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 31,999 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. 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.

D. This subparagraph intentionally deleted.

E. 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.

F. 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 in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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.

H. Parking for twenty-two vehicles is included in the offered rental rate reflected above and there are no additional costs to the Government for these structured parking spaces.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

DTZ, 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 DTZ, 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 Commission Credit for the lease shall be separated based on the commencement of rent for the 2nd Floor Space (27,762 RSF/24,142 ABOA) and the 7th Floor space (9,024 RSF/7,847 ABOA).

The total amount of the Commission for the 2nd Floor space 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 DTZ, 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 starting **Month 4 of the lease or October 1, 2013** and shall continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable. Refer to Paragraph 4.12 of this Lease.

Upon the Government's acceptance of the 7th Floor Space, the parties will execute a lease amendment to memorialize the Commission for the 7th Floor space and the Commission Credit for the 7th Floor Space.

A. 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 total commission and commission credit amount shall be reconciled upon completion of the build out of the entire leased space and captured in an amendment to this Lease. **The reduction in shell rent shall commence as indicated in this schedule for adjusted Monthly Rent:**

Month 4 (October 1, 2013 – October 31, 2013) Rental Payment \$107,577.75 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4th Month's Rent.

Month 5 (November 1, 2013 – November 30, 2013) Rental Payment \$107,577.75 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5th Month's Rent.

Month 6 (December 1, 2013 – December 31, 2013) Rental Payment \$107,577.75 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 6th Month's Rent.

Upon the Government's acceptance of the 7th Floor space, the parties will execute a lease amendment to memorialize the reduction in shell rent for the 7th Floor space commencing with the first (1st) month of rental payments following the commencement of the 7th Floor Space and continuing until the entire Commission Credit for the 7th Floor Space has been captured.

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

1.06 ~~RENEWAL RIGHTS (SEP 2013)~~ INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	2	A
PARKING PLAN(S)	1	B
SECURITY REQUIREMENTS (LEVEL IV)	15	C
GSA FORM 3517B GENERAL CLAUSES	47	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	E
GSA FORM 1217	1	F
ENERGY STAR COMPLIANCE	1	G
FIRE AND LIFE SAFETY COMPLIANCE	11	H

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA), for purposes of this Lease, shall be in the amount of **\$577,663.95**. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0 percent and is to be used for TIs for the entire leased space as described in Section 1.01. The allowance shall be made available for the Government, immediately upon execution of this Lease, for a period of one (1) year after execution of this Lease after which a mutually agreed upon Lease Amendment will be executed that confirms and finalizes the final TIA utilization by the Government.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. 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.

B. 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 the rent according to the amortization rate over the Firm Term of the Lease.

C. 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.

1.10 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 OR % OF TI CONSTRUCTION COSTS)	5%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5%

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012) INTENTIONALLY DELETED

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

The Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **11.69** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **36,786** RSF by the total Building space of **314,666** RSF.

Effective June 29, 2013, the Government's Percentage of Occupancy shall be **8.82%**, is derived by dividing the total Government Space of **27,762** RSF by the total Building space of **314,666** RSF.

Upon substantial completion and acceptance of the 7th Floor space by the Government, the Government's Percentage of Occupancy shall increase by 2.87% from **8.82%** to **11.69%**, is derived by dividing the total Government Space of **36,786** RSF by the total Building space of **314,666** RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

Notwithstanding anything in Section 2.07 to the contrary, the Real Estate Tax Base shall be established as the first twelve (12) months of the lease from June 30, 2013 to June 29, 2014 and taxes shall be adjusted annually on a lease year basis.

1.15 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 **\$8.697901** per RSF (**\$319,961.00/annum**).

1.16 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 **\$2.32** per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- **\$55.00** per hour/floor/zone. Additional floors of the same zone, \$25.00 per hour.
- No. of zones: **2** - The Building is zoned "East and "West" (2 zones per floor).
- ~~\$ X.XX per hour for the entire Space.~~

1.18 24-HOUR HVAC REQUIREMENT (APR 2011) INTENTIONALLY DELETED

1.19 BUILDING IMPROVEMENTS (SEP 2012)

The Lessor shall complete the following additional building improvements within one (1) year of lease execution,

- A. Lessor shall install shatter resistant window protection in the leased space at no additional expense to the Government.
- B. Lessor is responsible, at shell cost, to meet all ABAAS and Fire/Life building deficiencies as stated in Exhibit I of the Lease.

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a