

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL
AGREEMENT

DATE

OCT 27 2011

SUPPLEMENTAL LEASE AGREEMENT

No. 04

TO LEASE NO. GS-11B-02126

ADDRESS OF PREMISES 20 M Street SE,
Washington, DC 20003

THIS AGREEMENT, made and entered into this date by and between Southeast Realty LLC

Whose address is: c/o Lerner Enterprises
2000 Tower Oaks Boulevard, 8th Floor
Rockville, MD 20852

and whose interest in the property hereinafter described is that of the Owner, hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease:

NOW THEREFORE, these parties for the considerations hereinafter covenant and agree that the said Lease is amended as follows:

This Supplemental Lease Agreement (SLA #4) is issued to reflect acceptance of space, lease term and rent commencement dates as follows:

1). Acceptance of Space Effective Date: March 14, 2011 is the Government's acceptance of space located at 20 M Street, SE Washington, DC totaling 94,435 Rentable Square Feet (RSF) consisting of 18,152 (RSF) (16,433 BOASF) located on the 2nd floor, 19,064 RSF (16,997 BOASF) located on the entire 3rd floor, 19,069 RSF (17,001 BOASF) located on the entire 4th floor, 19,073 RSF (17,006) BOASF) located on the entire 5th floor and 19,077 RSF (17,010 BOASF) located on the entire 6th floor of the building. (Note, Certificate of Occupancy issue date 3/14/2011 attached as Attachment # 1)

2) This SLA # 4 provides a detailed explanation of construction delay caused by the Government. (See Attachment 2) The Government was entitled to abatement of rent in the total amount of \$3,269,157.23 applied as follows: (a) rent for the first 9.6 months of the lease term (inclusive of operating costs and amortization of the tenant improvement allowance in the total amount of \$2,775,941.78 was abated entirely; and (b) a portion of the monthly shell rent in the total amount of [REDACTED] was abated to cover the Government's Commission Credit. The delay caused by the Government was 7.5 months. The Government has elected to compensate the Lessor for delay by eliminating 7.5 months of rent abatement from the rent abatement for the first 9.6 months of the lease term. Therefore the remaining rent abatement due to the Government is 2.1 months in the amount of [REDACTED] and a commission credit in the amount of [REDACTED] for a total rent abatement of [REDACTED].

CONTINUED ON NEXT PAGE. 2 paragraph # 7

All other terms and conditions of the Lease shall remain in force and effect.

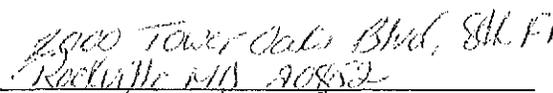
IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

Lessor: Southeast Realty LLC
By: Admiral Partners, LLC, its sole Manager
By: Lerner Enterprises, LLC, its Managing Member

By:  (Signature) Mark D. Lerner

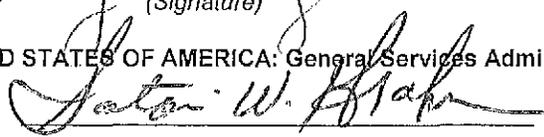
Manager (Title)

IN THE PRESENCE OF, (witnessed by):
 (Signature)



(Address)

UNITED STATES OF AMERICA: General Services Administration

By: 

Contracting Officer, GSA, NCR, PBS, WPG
(Official Title)

OCT 27 2011

3). The lease commencement date is January 13, 2011. The term of the Lease shall be January 13, 2011 through January 12, 2021.

4) Paragraph 3 of the SF2 is deleted and restated as follows:

The Government shall pay the Lessor annual rent of \$3,469,927.23 (\$36,7440804/BRSF; \$41.09/BOASF) at the rate of \$289,160.60 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: Southeast Realty, LLC, c/o Lerner Enterprises, 2000 Tower Oaks Boulevard, 8th Floor, Rockville, MD 20852 or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of [REDACTED] applied as follows: (a) rent for the first 2.1 months of the lease term (inclusive of operating costs and amortization of the tenant improvement allowance) in the total amount of [REDACTED] shall be abated entirely; and (b) a portion of the monthly rent shall be partially abated during the 4th, 5th, and 6th months of the lease term, in equal monthly amounts of \$164,405.15, for a total amount of [REDACTED] as more fully set forth in paragraph 6E of the SF2 as amended by paragraph 7 below.

5). The Operating Cost Base Year: For Operating Costs Base Year calculations purposes, January 13, 2011 will be the "Lease Effective Date"-for the entire Lease. The Operating Costs Base for this Lease is \$911,183.13 annually (\$9.65 per RSF/\$10.79 BOASF). Operating cost adjustments for CPI will be calculated per Section 4.3 of the SFO.

6). The Government's percentage of occupancy within this building is 49.37%. The total building square footage is determined to be 191,294 rentable square feet. Common Area Factor is determined to be 1.118275368. (94,435 RSF/ 84,447 BOUSF) Base year taxes shall be the first twelve months of the Lease term provided that there is a full assessment. Tax adjustments will be calculated per Section 4.2 of the SFO.

7) Paragraph 6E of the SF2 is deleted and restated as follows:

In accordance with Paragraph 2.5 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the lease value for the ten (10) year firm term. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. 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 in equal monthly installments of [REDACTED] during months 4, 5, and 6 of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of [REDACTED], which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

The rental payment due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in rent shall commence with the 4th month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Fourth (4th) Month's Rental Payment of \$289,160.60 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

Fifth (5th) Month's Rental Payment of \$289,160.60 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.

Sixth (6th) Month's Rental Payment of \$289,160.60 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Sixth Month's Rent.