

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT

No. 1

DATE

SEP 10 2010

LEASE NO. GS-11B-02147

ADDRESS OF PREMISES:

455 Massachusetts Avenue Washington DC, 20001

THIS AGREEMENT, made and entered into this date by and between: Square 516S Office Venture, LLC

Whose address is: 2400 N Street
Suite 600
Washington DC 20037-1153

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 mentioned covenant and agree that the said Lease is amended, as follows:

The Lessor hereby leases to the Government the following described premises::

1. A total of approximately 19,286 ANSI BOMA Rentable Square Feet (BRSF) being 15,950 ANSI BOMA Office Area Square Feet (BOASF) consisting of portion of the 3rd floor in the building located at 455 Massachusetts Avenue, NW, Washington DC 20001.

2. This SLA is being issued to memorialize the rent and lease commencement date for the subject lease. The Government accepts the space for a term of five (5) years beginning on June 5, 2010, and ending June 4, 2015. This Lease was awarded November 25th, 2009 based on a requirement of the [REDACTED]. These requirements subsequently changed and the Agency never had the Space Plans prepared. It is anticipated that the Lessor will buildout the space and the Government will take possession of the space in the near future. Pursuant to Lease provision 3.17(c), the Government is in delay. As a result, rent start will be June 5, 2010. This is the date of rent start based on the fully complied with schedule as defined in Attachment 2.

Paragraph 3 of Standard Form 2 is hereby deleted and substituted with the following:

3. Rent Commencement: Rent will be calculated as follows until an Agency takes possession:

- Shell rent of \$463,188.50 dollars per annum
- Tenant improvement rent of \$63,800.00 dollars per annum subject to the Government retaining its rights to apply the tenant improvement dollars pursuant to the SFO Lease Provisions in Section 3.0.

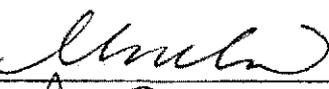
No Operating Cost Base will be paid, until the buildout is substantially completed and accepted. (See SFO Paragraph 3.17 c).

4. As a result, effective June 5, 2010, the Government shall pay the Lessor annual rent of \$526,988.50 (\$27.32/BRSF/\$33.04/ BOASF), payable at the rate of \$43,915.71 per month in arrears. Rent for a lesser period shall be prorated. Rent shall be subject to Tax Adjustments during the Lease term as per the Solicitation for Offers. For the purposes of calculating taxes, the Government's percentage of occupancy is 7.96%. The annual rent includes a Shell Base Rent of \$463,188.50, and \$63,800.00 to amortize a tenant improvement allowance of \$319,000.00 (\$20.00 (BOASF), at zero percent (0%) annual interest over the initial five (5) year lease term. Notwithstanding the foregoing, the Government shall be entitled to an Abatement of Rent in the amount of \$131,747.13 to be applied against the monthly rental payment for the first three (3) month of the lease term set forth below. Rent checks shall be made payable to Square 516S Office Venture, LLC, located at Square 516S Office Venture, LLC, 2400 N Street, NW, Suite 600, Washington DC 20037.

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

LESSOR: Square 516S Office Venture, LLC

BY



(Signature)

(Title)



IN THE PRESENCE OF (witnessed by:)



(Signature)



(Address)

Supplemental Lease Agreement Number 1 page 2 of 2**5. SCHEDULE:**

When the Government's elects to have the space buildout, the Construction Schedule Attachment 2 will apply. However, given that the Government is already paying rent, the Government will not be held to the required response time, although best efforts will be made to stay within the dictated timeframe. The Lessor will be required to comply with the task durations. In accordance with Paragraph 3.17c a Lessor's delay will result in free rent and calculated once the buildout has been Substantially Completed.

Pursuant to the General Clauses "Substantially complete" and "substantial completion" means that the work, the common and other areas of the building, and all other things necessary for the Government's access to the premises and occupancy, possession, use and enjoyment thereof, as provided in this lease, have been completed or obtained, excepting only such minor matters as do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment.

6. Per Paragraph 6(B) of the SF-2, Tenant Improvements-, Upon completion of improvements by Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is greater or less than \$20.00/BOASF, the rent shall be adjusted accordingly. (See SFO Section 3.2) Tenant improvements financed by the Lessor above the initial \$20.00 per BOASF shall be amortized at the annual interest rate of nine and half percent (9.50%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$671,176.00 (\$42.08/BOASF) in tenant improvements. Any tenant improvements funded by the Lessor in excess of this amount shall be repaid by the Government via lump sum.

7. Pursuant to paragraph 6.(C) of the SF-2, the Government shall have the continuing right, exercisable at any time throughout the lease term, to require daytime cleaning at a rate of \$1.23/BOASF. Lessor shall cause all janitorial in the Government's space to be performed between the hours of 8:30 am and 4:30 pm, Monday through Friday.

8. The Government's percentage of occupancy for real estate tax purposes shall be 7.96%, based on 19,286/BRSF 242,367/BRSF.

9. The HVAC Overtime rate shall be \$50 per hour per floor.

10. In connection with the buildout of tenant improvements, the following limits on markups shall apply: Offeror's general contractor's total fees for overhead and profit shall not exceed 15%, the total fees for general conditions shall not exceed 4% and the total fees for Lessor's overhead and profit shall not exceed 5%. Architectural and engineering fees, if any, shall not exceed \$3 per BOASF. Any such fees will be paid for out of the tenant improvement allowance. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.

11. In the case of discrepancies between this SLA #1, its riders and the remainder of the Lease, this SLA #1 and its riders shall govern.

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