

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDING SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT
NO. 2
TO LEASE NO.
GS-11B-40155

DATE
3/26/96

ADDRESS OF PREMISES

The Portals, 445 - 12th Street, SW, Washington, DC 20024

THIS AGREEMENT, made and entered into this date by and between,
PARCEL 49C LIMITED PARTNERSHIP

whose address is

c/o Republic Properties Corporation,
1250 Maryland Avenue, S.W., Suite 280
Washington, D.C. 20024

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, effective upon complete execution hereof, as follows:

The General Clauses attached to and incorporated in the Lease are hereby amended as follows:

Clause 11 of the General Clauses is amended and restated in its entirety to read as follows:

(a) If the said premises be totally destroyed by fire or other casualty, the Government shall have the right to terminate this Lease by written notice to Landlord within one hundred twenty (120) days after the occurrence of such event. In the event the Government fails to provide written notice of termination as aforesaid or elects not to terminate this Lease then the Lessor shall commence repair and restoration in accordance with subparagraph (b) below; it being understood that all references to partial destruction or damage in subparagraph (b) below shall be deemed to mean total destruction for purposes of this subparagraph (a).

(b) In the event of partial destruction or damage that renders the entire premises untenable, as reasonably determined by the Government, then (1) the Lessor shall, within one hundred twenty (120) days, diligently commence the repair or restoration of the entire leased premises to a tenable condition and shall complete such repair or restoration within such one hundred twenty (120) day period by diligent commencement and continuous pursuit of such repair or restoration, or if such repair or restoration cannot be completed in such one hundred twenty (120) day

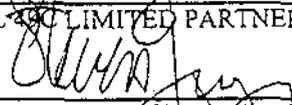
See Continuation Pages 2 and 3 for additional terms and provisions of this SLA No. 2.

All other terms and conditions of the lease shall remain in force and effect, except as specifically modified herein.

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

LESSOR PARCEL 49C LIMITED PARTNERSHIP, by Portals Development Associates Limited Partnership, Its Management Agent

BY


(Signature)

General Partner

(Title)

IN PRESENCE OF


(Signature)

1250 Maryland Avenue, S.W., Washington, DC

(Address)

UNITED STATES OF AMERICA

BY


(Signature) 3/28/96

Contracting Officer

(Official Title)

(b) (continued) period with diligent commencement and continuous pursuit of such repair or restoration, such repair or restoration shall be completed as soon as is reasonably practicable, (2) the rent during the period of partial destruction or damage shall be wholly abated during the period that such partial destruction or damage to any portion of the premises renders the entire premises untenable effective from the date of such partial destruction or damage, (3) the Government shall reoccupy the premises upon completion of such repairs or restoration and (4) the Government shall not be permitted to terminate this Lease as a result of such partial destruction or damages so long as the Lessor diligently commences to repair or restore and thereafter diligently and continuously pursues such repair or restoration to completion.

(c) In the event of a partial destruction or damage that renders a part of the premises untenable, as reasonably determined by the Government, then (1) the Lessor shall, within one hundred twenty (120) days, diligently commence the repair or restoration of such portion of the leased premises to the condition in which such part of the premises existed before such destruction or damage and complete such repair or restoration within such one hundred twenty (120) day period by diligent commencement and continuous pursuit of such repair or restoration, or if such repair or restoration cannot be completed within such one hundred twenty (120) day period with diligent commencement and continuous pursuit of such repair or restoration, such repair or restoration shall be completed as soon as is reasonably practicable, (2) the rent during the period of partial destruction or damage shall be proportionately abated during the period that such part of the premises is untenable effective from the date of such partial destruction or damage, (3) the Government shall reoccupy such part of the premises upon completion of such repairs or restoration and (4) the Government shall not be permitted to terminate this Lease as a result of such partial destruction or damage so long as the Lessor diligently and continuously pursues such repair or restoration to completion. Solely for purposes of determining the proportion of rent that shall be abated during such period of untenability, any part of the premises that have not been rendered untenable by such partial destruction or damage but the use of which by the Government is substantially related to and dependent upon the availability of such part of the premises that have been rendered untenable by such partial destruction or damage shall be deemed to have been rendered untenable for such period of untenability.

(d) As soon as practicable after a partial destruction or damage to the premises, but in no event more than thirty (30) days thereafter, the Lessor shall provide to the Government a schedule and plans for accomplishing the repair or restoration. The Government shall have the right to review and approve such schedule and plans for repair or restoration of the premises, with the Government's approval not to be unreasonably withheld, conditioned or delayed.

(e) Nothing in this Lease shall be construed as relieving Lessor from liability for damage to or the destruction of property of the United States of America caused by the willful or negligent act or omission of the Lessor.

(f) In the event of a fire or other casualty not caused by the Government, its employees, agents, contractors or invitees which renders all or a portion of the leased premises untenable, but with respect to which the Lease is not terminated and the leased premises will be repaired and restored and the Government will reoccupy the damaged portion of the leased premises as provided in subparagraphs (b) or (c) above, Lessor, to the extent of insurance proceeds available therefor, will reimburse the Government, for reasonable moving and temporary relocation costs and expenses (which shall not include any rental expense to provide temporary space other than rental costs in excess of the rent abated as a result of the fire or other casualty, any costs to replace personal property damaged or destroyed as a result of the casualty or any costs to repair or restore the leased premises to the condition such space was in prior to the casualty, but shall include all other third party costs incurred by the Government to provide temporary replacement space for the tenant agency occupying the leased space until such space has been repaired and is again ready for Government occupancy) the Government may incur in connection with the casualty effecting the leased premises. To the extent such moving and temporary relocation costs exceed available insurance

proceeds, the Government shall have the option (to be exercised no later than six months following the re-acceptance of the leased space following the casualty) to extend the term of the lease for a number of days equal to (i) the amount of such excess costs, but in no event more than \$9,578,250.00, divided by the product of \$25.80 multiplied by the square footage of the leased premises, (ii) multiplied by 365. During such lease extension the total annual rent payable by the Government shall be equal to \$3.75 per NUSF plus the amount of the base operating expenses as escalated to the date of such extension as provided in paragraph 20 of SFO 88-100 attached to and incorporated in the lease as amended by SLA No. 1 to the lease and subject to the understanding that the Government shall continue to be liable for its percentage share of real estate taxes for the building for such extension period. As part of its usual and customary insurance, Lessor will carry "extra expense coverage" or a similar type endorsement to its fire and casualty insurance policy in an amount of \$5,000,000, if and to the extent commercially available, which will be available to reimburse Lessor for various costs and expenses associated with the casualty, including reasonable moving and temporary relocation costs and expenses of the Government which it may incur in connection with a casualty effecting the leased premises.

