

EXCHANGE AGREEMENT

THIS EXCHANGE AGREEMENT (“**Agreement**”) is made as of 23rd May, 2014 (“**Effective Date**”) between the District of Columbia, a municipal corporation acting by and through the Department of General Services (“**District**”) and SW Land Holder, LLC, a Delaware limited liability company (“**SWLH**”).

RECITALS:

1. SWLH is the fee simple owner of Lot 13 in Square 607, Washington, D.C., as more particularly described on Exhibit A-1 attached hereto (the “**SWLH Land**”, which term shall include any and all of SWLH’s transferable rights in, to or pursuant to all easements, covenants and other rights appurtenant to such land, including any land lying in the bed of any street or alley adjoining such land to the center line thereof), together with all Improvements located thereon, and all Personal Property and Intangible Property owned by SWLH and associated therewith (collectively, together with the SWLH Land, the “**SWLH Property**”). The SWLH Property contains in the aggregate approximately 89,251 square feet of land area, and is located on Buzzard Point in Southwest Washington, D.C.

2. The District is the fee simple owner of Lots 844 and 7000 in Square 204, Washington, D.C., as more particularly described on Exhibit A-2 hereto (the “**District Land**”, which term shall include any and all of the District’s transferable rights in, to or pursuant to all easements, covenants and other rights appurtenant to such land, including any land lying in the bed of any street or alley adjoining such land to the center line thereof), together with all Improvements located thereon, and all Personal Property and Intangible Property owned by the District associated therewith (collectively, together with the District Land, the “**District Property**”). The District Property contains approximately 97,600 square feet of land area, is located at the northwest corner of 14th Street and U Street in Northwest Washington, D.C. and is commonly known as the Frank D. Reeves Municipal Center.

3. The District desires to acquire the SWLH Property and has agreed to transfer the District Property to SWLH in exchange for the transfer by SWLH of the SWLH Property to the District (“**Land Exchange**”).

NOW, THEREFORE, in consideration of the foregoing premises, the mutual covenants set forth in this Agreement, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, the District and SWLH hereby agree as follows, intending to be legally bound:

ARTICLE 1

DEFINITIONS

1.1 **Defined Terms.** As used in this Agreement, the following capitalized terms shall have the following meanings:

1031 Exchange: as defined in Section 5.12.

Additional Amount: as defined in Section 2.4.

Adjacent Property: as defined in Section 5.10.

Airspace Lease: the Lease Agreement for Rental of Airspace between the District and Parcel 13 Associates Limited Partnership, dated October 8, 1986 and recorded in the Land Records as Instrument No. 42522, as amended by that certain First Amendment to Lease Agreement for Rental of Airspace dated November 11, 2009 and recorded in the Land Records as Instrument No. 2009123478.

Airspace Parcel: the “Premises” described in the Airspace Lease. The Airspace Parcel is Lot 7000 in Square 204 in Washington, D.C.

Anti-Deficiency Acts: as defined in Section 10.16.

Business Day: any day other than Saturday, Sunday or a holiday for national banks in the District of Columbia.

CLD’s: as defined in Section 5.11.

CLD Option: as defined in Section 5.11.

Closing: the consummation of the Land Exchange in accordance with this Agreement.

Closing Date: the date on which Closing shall occur.

Council Approval: approval of this Agreement and the transactions described herein by the Council of the District of Columbia.

D.C. ADA: as defined in Section 10.16.

Development Covenant: as defined in Section 5.9.

District Deed: as defined in Section 7.4(a).

District Default: as defined in Section 8.1.

District Environmental Reports: as defined in Section 3.2(m).

District Lease: as defined in Section 2.3.

District Value: as defined in Section 2.4.

Environmental Laws: as defined in Section 3.1(m).

Feasibility Period Expiration Date: as defined in Section 4.4.

Feasibility Period: as defined in Section 4.4.

Federal ADA: as defined in Section 10.16.

Hazardous Materials: any substance, material, condition, mixture or waste that is now or hereafter (a) defined as a “hazardous waste,” “hazardous material,” “hazardous substance,” “extremely hazardous waste,” “restricted hazardous waste,” “oil,” “pollutant” or “contaminant” under any provision of District of Columbia, Federal or other applicable law; (b) classified as radioactive material; (c) designated as a “hazardous substance” pursuant to Section 311 of the Clean Water Act, 33 U.S.C. Section 1251 et seq. (33 U.S.C. Section 1317); (d) defined as a “hazardous waste” pursuant to the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901 et seq. (42 U.S.C. 6903); (e) defined as a “hazardous substance” pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. Section 9601 et seq. (42 U.S.C. Section 9601); (f) determined to be a “hazardous chemical substance or mixture” pursuant to the Toxic Substances Control Act, 15 U.S.C. Section 2601 et seq. (15 U.S.C. Section 2605); (g) identified for remediation storage, containment, removal, disposal or treatment in any District of Columbia plan for the Property; or (h) determined by District of Columbia or Federal authorities to pose or be capable of posing a risk of injury to human health, safety or property (such substances to include petroleum and petroleum byproducts, asbestos, polychlorinated biphenyls, polynuclear aromatic hydrocarbons, cyanide, lead, mercury, acetone, styrene), and “hazardous air pollutants” listed pursuant to the Clean Air Act, 42 U.S.C. Section 7412.

Improvements: all buildings, improvements and fixtures located on a Transferor’s Land, if any, including without limitation all mechanical systems, electrical systems, plumbing systems, heating and air conditioning systems, fiber optic systems, elevators and related mechanical equipment, and any and all other systems used to provide any utility services, refrigeration, ventilation and trash disposal.

Input: consultation, recommendations or advice to be given pursuant to Section 5.10 of this Agreement.

Intangible Property: all assignable or transferable intangible property relating to a Transferor’s Land or Improvements, including, but not limited to: (i) all plans, specifications, guaranties and warranties pertaining to construction of the Improvements, if any; (ii) all air rights, excess floor area rights, plats, site plans and other development rights relating or appurtenant to the Land or the Improvements; (iii) all rights to obtain utility service in connection with the Improvements and the Land; (iv) all assignable licenses and other governmental permits and permissions relating to the Land, the Improvements or the operation thereof; (v) with respect to the District Property, the Airspace Lease; and (vi) with respect to the SWLH Property, the SWLH Leases.

Land: either the SWLH Land or the District Land, as the context requires.

Land Records: the real property records for the District of Columbia maintained in the District of Columbia Office of the Recorder of Deeds.

Objections: as defined in Section 4.2(d).

Option Amount: as defined in Section 5.11.

Permitted Exceptions: collectively, as to each Property, the following: (i) the lien of real estate taxes, vault rents, business improvement district taxes and assessments and water and sewer charges for or against such Property, not yet due and payable, (ii) any additional matters accepted (or deemed accepted) by the Transferee of such Property pursuant to and in accordance with Section 4.2(d), (iii) in the case of the SWLH Property, the SWLH Leases, (iv) in the case of the District Property, the Airspace Lease, the District Lease and the Reeves Subleases, and (v) any other matters expressly stated to be Permitted Encumbrances in this Agreement.

Person: a natural person or any legal, commercial or governmental entity, including a corporation, general partnership, joint venture, limited partnership, limited liability company, trust, business association, group acting in concert or any person acting in a representative capacity of the foregoing.

Personal Property: any furniture, furnishings, tools, supplies, and other tangible personal property that is located on and used in connection with the Land or Improvements to be transferred by a Transferor.

Properties: the SWLH Property and the District Property, each being a “**Property**”.

Reduction Amount: as defined in Section 2.5.

Repurchase Transaction: as defined in Section 10.18.

Reeves Leases: collectively, the leases described on Exhibit M hereto.

Reeves Subleases: as defined in Section 5.3(c).

Settlement Statement: as defined in Section 7.3(m).

Soccer District: as defined in Section 5.10.

Soccer Stadium: as defined in Section 5.10.

Studies: as defined in Section 4.1.

Survey: as defined in Section 4.2(c).

Survey Standards: as defined in Section 4.2(c).

SWLH Deed: as defined in Section 7.3(a)

SWLH Default: as defined in Section 8.2.

SWLH Environmental Reports: as defined in Section 3.1(m)

SWLH Leases: collectively, the leases described on Exhibit G hereto.

SWLH Value: as defined in Section 2.4.

Title Company: Commonwealth Land Title Insurance Company, or such other reputable title insurance company as SWLH and the District, each acting reasonably and in good faith, may approve, who shall serve as settlement agent for the Land Exchange.

Title Commitment: as defined in Section 4.2(b).

Transferee: the party receiving a Property pursuant to this Agreement. The District is the Transferee of the SWLH Property, and SWLH is the Transferee of the District Property.

Transferor: the party transferring a Property pursuant to this Agreement. The District is the Transferor of the District Property, and SWLH is the Transferor of the SWLH Property.

Urban Renewal Plan: the Urban Renewal Plan for the Shaw School Urban Renewal Area first adopted by the National Capital Planning Commission on January 9, 1969, as amended.

Urban Renewal Release: as defined in Section 5.9.

UST Act: as defined in Section 10.12.

UST Regulations: as defined in Section 10.12.

ARTICLE 2

AGREEMENT TO EXCHANGE

2.1 **Exchange of Interests.** Upon and subject to the terms and conditions provided in this Agreement, (i) the District shall convey and transfer to SWLH all of the District's right, title and interest in and to the District Property, and (ii) SWLH shall convey and transfer to the District all of SWLH's right, title and interest in and to the SWLH Property.

2.2 **As Is, Where Is.** Except as otherwise expressly set forth in this Agreement, the District Property and SWLH Property shall each be delivered at Closing in "as is, where is" condition as of the Closing Date, with all faults, and without representation or warranty. SWLH and the District each acknowledges that it has had (or will have prior to Closing) an opportunity to conduct its own investigation of the Property it is seeking to acquire, and that upon acceptance of delivery of the deed to such Property, it shall be deemed to have assumed all liabilities related to the physical condition of such Property and to have released the Transferor of such Property from any such liabilities.

2.3 **District Lease.** At Closing, SWLH and the District shall enter into a lease ("District Lease") in the form attached hereto as Exhibit E, pursuant to which the District shall lease from SWLH the District Land and the Improvements located thereon, but excluding the Airspace Parcel.

2.4 **Agreed Values and Additional Amount.** Prior to the Effective Date, SWLH and the District have undertaken a joint appraisal process to determine the fair market value of each Property. Pursuant to this appraisal process, SWLH and the District agree that (i) the fair market value of the SWLH Property is Twenty-One Million One Hundred Thousand and 00/100 Dollars (\$21,100,000) (“**SWLH Value**”), and (ii) the fair market value of the District Property is Fifty-Five Million Five Hundred Eighty-Five Thousand and 00/100 Dollars (\$55,585,000) (“**District Value**”). At Closing, SWLH shall pay to the District, in immediately available funds, the sum of Thirty-Four Million Four Hundred Eighty-Five Thousand and 00/100 Dollars (\$34,485,000) (“**Additional Amount**”), being the excess of the District Value over the SWLH Value.

2.5 **Davis-Bacon Act Adjustment.** The Parties acknowledge that there is some uncertainty and ambiguity regarding the applicability of the Davis-Bacon Act to the development of the District Property. If on or before June 1, 2016, it is determined pursuant to this Section 2.5 that it is more likely than not that the Davis-Bacon Act is applicable to the development of the District Property, then the District Value shall be reduced by Eight Million Six Hundred Seventy-Nine Thousand Nine Hundred Ninety-Six and 00/100 Dollars (\$8,679,996) (“**Reduction Amount**”) and the District shall refund the Reduction Amount to SWLH or its designee without any interest on such amount within 60 days of such determination. The Parties, each acting reasonably and in good faith, shall endeavor to agree upon whether it is more likely than not that the Davis-Bacon Act is applicable to the development of the District Property, and any such agreement by the Parties (“**Parties Determination**”) shall be determinative for purposes of this Section 2.5. Unless the Parties shall have agreed upon a Parties Determination, any ruling or other opinion (“**DOL Ruling**”) issued by the United States Department of Labor (“**DOL**”) as to whether the Davis-Bacon Act is applicable to the development of the District Property shall be determinative for purposes of this Section 2.5 (regardless of whether such DOL Ruling is thereafter appealed). Unless the Parties shall have agreed upon a Parties Determination, or DOL has issued a DOL Ruling, then either Party may initiate arbitration in accordance with the procedures set forth in Exhibit O to determine whether the Davis-Bacon Act is applicable to the development of the District Property, and the decision of the arbitrators shall be determinative for purposes of this Section 2.5. The provisions of this Section 2.5 shall survive Closing.

ARTICLE 3

REPRESENTATIONS AND WARRANTIES

3.1 **Representations and Warranties of SWLH.** SWLH hereby represents and warrants as follows:

(a) **Authority.** SWLH is a limited liability company duly formed and in good standing under the laws of the State of Delaware and duly authorized to transact business and in good standing under the laws of the District of Columbia. SWLH has the power to execute, deliver and perform this Agreement, and has taken all actions required to authorize the due execution, delivery and performance of this Agreement.

(b) **Enforceability.** This Agreement has been duly executed and delivered by SWLH and is the legal, valid and binding obligation of SWLH, enforceable in accordance with

its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally.

(c) **No Consents.** No consent, approval or authorization of, or registration, filing or declaration with, any Person or any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, is required to be obtained or made by SWLH in connection with its execution, delivery and performance of this Agreement.

(d) **No Conflicts.** The execution, delivery and performance of this Agreement by SWLH do not (i) conflict with or result in any violation of SWLH's organizational documents, (ii) conflict with or result in any violation of any provision of any bond, note or other instrument of indebtedness, contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which SWLH is a party or by which SWLH is bound or (iii) violate any term or provision of any order, writ, judgment, injunction or decree of any court or governmental body, or any statute, law, rule or regulation applicable to and binding upon SWLH.

(e) **No Brokers.** SWLH has not retained or dealt with any real estate broker, finder, or agent in connection with the Land Exchange who would be entitled to a commission, fee or other compensation on account of the transfer of the SWLH Property and/or the District Property.

(f) **No Options.** No Person, other than the District pursuant to this Agreement, has any unrecorded right or option to acquire the SWLH Property or any part thereof.

(g) **Proffers.** SWLH has not made any commitments to any governmental or quasi-governmental authority, utility company, school board, church or other religious body, or to any other organization, group or individual, relating to the SWLH Property which would impose on the District the obligation to make any contributions of money, dedications of land or grants of easements or rights-of-way, or to construct, install or maintain any improvements, public or private, on or off the SWLH Property.

(h) **Litigation; Judgments.** There are no (i) actions, suits or proceedings pending or, to the best of SWLH's knowledge, threatened against or affecting SWLH or the SWLH Property in any court or before or by any court, arbitrator, or regulatory commission, department or agency or (ii) judgments outstanding and unsatisfied against SWLH, which could reasonably be anticipated to materially adversely affect (a) SWLH's ability to consummate the transactions contemplated by this Agreement, (b) the ownership of the SWLH Property, or (c) the operation of the SWLH Property.

(i) **Leases.** At Closing, there shall be no leases, licenses or other rights of possession encumbering the SWLH Property other than the SWLH Leases. SWLH has provided to the District a correct and complete copy of each SWLH Lease.

(j) **Contracts.** At Closing, there shall be no contracts binding upon the SWLH Property, other than the Permitted Encumbrances and those listed on Exhibit G hereto (which contracts shall be deemed Permitted Encumbrances).

(k) **No Violations.** SWLH has received no written notice from any governmental authority of any violation of any law, order, ordinance or regulation issued affecting the SWLH Property.

(l) **Foreign Person.** SWLH is not a “foreign person” as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.

(m) **Environmental Matters.**

(i) To SWLH’s actual knowledge, as of the Effective Date, SWLH has delivered to the District all reports in the possession or under the control of SWLH relating to the environmental condition of the SWLH Property (collectively, “**SWLH Environmental Reports**”).

(ii) To SWLH’s actual knowledge without investigation as of the Effective Date, except as set forth in the SWLH Environmental Reports, there exists with respect to the SWLH Property no violation of any applicable laws which regulate or control (A) hazardous or toxic substances, pollution, contamination, noise, radiation, water, soil, sediment, air or other environmental media, or (B) an actual or potential spill, leak, emission, discharge, release or disposal of any hazardous or toxic substances or other materials, substances or waste into water, soil, air or any other environmental media, and all regulations, rules and guidance issued pursuant thereto (collectively, “**Environmental Laws**”).

(iii) To SWLH’s actual knowledge without investigation as of the Effective Date, except as set forth in the SWLH Environmental Reports, (A) no Hazardous Materials exist at, on or under the SWLH Property, (B) no Hazardous Materials have leaked, escaped or been discharged, emitted or otherwise released from the SWLH Property onto adjoining properties, or from adjoining properties onto the SWLH Property, and (C) SWLH is in compliance with all laws and regulations regarding the use, transportation and disposal of Hazardous Materials.

(n) **Ownership.** SWLH owns fee simple title to the SW Land, and has not granted any Person any right of first offer, right of first refusal or other right to purchase all or an portion of the SW Land.

3.2 **Representations and Warranties of the District.** The District hereby represents and warrants as follows:

(a) **Authority.** Subject to Council Approval and Section 10.16, the District has the power to execute, deliver and perform this Agreement, and has taken all actions required to authorize the due execution, delivery and performance of this Agreement.

(b) **Enforceability.** This Agreement has been duly executed and delivered by the District and, subject only to Council Approval, is the legal, valid and binding obligation of the District, enforceable in accordance with its terms, except to the extent that such enforceability may be limited by applicable bankruptcy, insolvency, moratorium and other principles relating to or limiting the rights of contracting parties generally.

(c) **No Consents.** Other than the Council Approval, no consent, approval or authorization of, or registration, filing or declaration with, any Person or any court, administrative agency or commission or other governmental authority or instrumentality, domestic or foreign, is required to be obtained or made by the District in connection with its execution, delivery and performance of this Agreement.

(d) **No Conflicts.** Subject to Council Approval and Section 10.16, the execution, delivery and performance of this Agreement by the District does not (i) conflict with or result in any violation of District of Columbia laws, policies or procedures, (ii) conflict with or result in any violation of any provision of any bond, note or other instrument of indebtedness, contract, indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the District is a party or by which the District is bound or (iii) violate any term or provision of any order, writ, judgment, injunction or decree of any court or governmental body, or any statute, law, rule or regulation applicable to and binding upon the District.

(e) **No Brokers.** The District has not retained or dealt with any real estate broker, finder, or agent in connection with the Land Exchange who would be entitled to a commission, fee or other compensation on account of the transfer of the SWLH Property and/or the District Property.

(f) **No Options.** No Person, other than SWLH pursuant to this Agreement, has any unrecorded right or option to acquire the District Property or any part thereof.

(g) **Proffers.** The District has not made any commitments to any governmental or quasi-governmental authority, utility company, school board, church or other religious body, or to any other organization, group or individual, relating to the District Property which would impose on SWLH the obligation to participate in a planned unit development (or similar zoning procedure), seek approvals and permits in addition to generally applicable zoning and building approvals and permits, make any contributions of money, provide amenities, dedications of land or grants of easements or rights-of-way, or to construct, install or maintain any improvements, public or private, on or off the District Property.

(h) **Litigation; Judgments.** There are no (i) actions, suits or proceedings pending or, to the best of the District's knowledge, threatened against or affecting the District or the District Property in any court or before or by any court, arbitrator, or regulatory commission, department or agency or (ii) judgments presently outstanding and unsatisfied against the District, which could reasonably be anticipated to materially adversely affect (a) the District's ability to consummate the transactions contemplated by this Agreement, (b) the ownership of the District Property, or (c) the operation of the District Property.

(i) **Leases.** At Closing, there shall be no leases, licenses or other rights of possession encumbering the District Property other than (i) the Airspace Lease, (ii) the District Lease and (iii) the Reeves Subleases. The District has provided to Akridge a correct and complete copy of the Airspace Lease and the Reeves Leases. There is no default on the part of any party under the Airspace Lease, or event or condition which with notice and/or the passage of time would become such a default.

(j) **Contracts.** At Closing, there shall be no contracts or licenses binding upon the District Property other than (i) the Permitted Encumbrances and (ii) contracts and licenses that are terminable without penalty upon no more than sixty (60) days' notice.

(k) **No Violations.** The District has received no written notice from any governmental authority of any violation of any law, order, ordinance or regulation issued affecting the District Property.

(l) **Foreign Person.** The District is not a "foreign person" as defined in Internal Revenue Code Section 1445 and the regulations issued thereunder.

(m) **Environmental Matters.**

(i) To the District's actual knowledge, as of the Effective Date the District has delivered to SWLH all reports in the possession or under the control of the District relating to the environmental condition of the District Property (collectively, "**District Environmental Reports**").

(ii) To the District's actual knowledge without investigation as of the Effective Date, except as set forth in the District Environmental Reports, there exists with respect to the District Property no violation of any applicable Environmental Laws.

(iii) To the District's actual knowledge without investigation as of the Effective Date, except as set forth in the District Environmental Reports, (A) no Hazardous Materials exist at, on or under the District Property, (B) no Hazardous Materials have leaked, escaped or been discharged, emitted or otherwise released from the District Property onto adjoining properties, or from adjoining properties onto the District Property, and (C) the District is in compliance with all laws and regulations regarding the use, transportation and disposal of Hazardous Materials.

(iv) For purposes of the representations in this Section 3.2(m), the District's actual knowledge shall mean the actual knowledge of (i) the Department of General Services' Chief Operating Officer and Deputy Director – Portfolio Division, (ii) the property manager for the District Property and (iii) the chief building engineer for the District Property.

(n) **Ownership.** District owns fee simple title to the District Land, and has not granted any Person any right of first offer, right of first refusal or other right to purchase all or an portion of the District Land.

3.3 **Survival.** The representations and warranties set forth in this Article 3 shall survive Closing and shall not be merged therein for a period of one (1) year after the Closing Date. After such one-year period, any liability for such representations and warranties shall terminate except with respect to any claim made in writing prior to expiration of such period.

ARTICLE 4

DUE DILIGENCE

4.1 **Right of Entry.** Prior to Closing, each Transferee, and its respective contractors, shall have the right to enter onto the Property such Transferee seeks to acquire for purposes of conducting such inspections, surveys, studies, tests and/or investigations as such Transferee deems desirable to evaluate such Property (collectively, “**Studies**”). If required by the Transferor of such Property, such Transferee and its contractors shall be accompanied by a representative of such Transferor during any entry onto such Property. All such Studies shall be conducted at the Transferee’s sole risk and expense. The Transferee shall provide the Transferor with reasonable prior notice (in no event less than 24 hours) of its entry onto the applicable Property for purposes of conducting any Studies. Each Transferee shall cause its contractors retained to perform Studies to obtain insurance coverage in commercially reasonable amounts naming each Transferee as an additional insured to protect against any damage caused by or directly resulting from such entry by Transferee’s contractor onto the Property of such Transferor, other than resulting from the mere discovery of any pre-existing conditions on or about such Property. In the event any entry onto the Property causes any material change in the physical condition of such Property, the Transferee shall promptly restore the Property to substantially the same condition as existed immediately prior to such Transferee’s entry thereon (and such obligation shall survive any termination of this Agreement).

4.2 **Title and Survey.**

(a) At Closing, (i) the District shall convey good and marketable fee simple title to the District Property to SWLH subject only to the Permitted Exceptions and (ii) SWLH shall convey good and marketable fee simple title to the SWLH Property to the District subject only to the Permitted Exceptions.

(b) No later than five (5) days after the Effective Date, each Transferee shall order from the Title Company a commitment for title insurance (“**Title Commitment**”) with respect to the Property such Transferee seeks to acquire, which shall be accompanied by a copy of all documents referred to in such Title Commitment. The Transferee shall provide to the Transferor of such Property a copy of the Title Commitment (including a copy of all documents referred to in such Title Commitment) within five (5) days following receipt by such Transferee of such title Commitment.

(c) Each Transferee may, at its option, order a current survey of the Property it seeks to acquire (“**Survey**”), which Survey shall be in accordance with the 2005 Minimum Standard Detail Requirements and Classifications for ALTA/ACSM Land Title Surveys (“**Survey Standards**”). If obtained, the Transferee shall provide to the Transferor of such Property a copy of the Survey for such Property within five (5) days following receipt by such Transferee of such Survey.

(d) On or before the Feasibility Period Expiration Date (defined below), each Transferee of a Property shall notify the Transferor of such Property of any matter or matters affecting title to such Property that are disclosed in the applicable Title Commitment and Survey

for such Property that are not acceptable to such Transferee (“**Objections**”). Except to the extent that a Transferee notifies a Transferor of any Objections in accordance with the foregoing sentence, any item reflected in the applicable Title Commitment and Survey as of the Feasibility Period Expiration Date shall be deemed to have been approved by the Transferee of such Property and shall be deemed to be a Permitted Exception to the title to such Property for all purposes under this Agreement. Each Transferor shall give notice to the Transferee of its Property on or before the tenth (10th) Business Day following such Transferor’s receipt of notice of the Objections from the Transferee of such Property. Any such notice from such Transferor shall state those Objections relating to its Property that such Transferor agrees to cure prior to the Closing. If a Transferor fails timely to give such notice, then such Transferor shall be conclusively deemed to have elected not to cure any such Objections with regard to the Property it seeks to transfer (other than those Objections described in Section 4.2(f) below, as to which such Transferor shall have no right to elect not to cure). If a Transferor of a Property elects (or is deemed to elect) not to cure any of the Objections of the Transferee of such Property, then such Transferee may either (i) waive such Objections and proceed to Closing (in which event such waived Objections shall become Permitted Exceptions for all purposes under this Agreement), or (ii) terminate this Agreement by written notice to such Transferor. Each Transferee shall make the election described in the preceding sentence by written notice to the Transferor of the Property on or before the date that is ten (10) Business Days following receipt of the applicable notice from such Transferor (or such Transferor’s deemed election, if such Transferor failed to provide such notice). In the event a Transferee does not make such election, then such Transferee shall be conclusively deemed to have waived all Objections (other than those described in Section 4.2(f) below and those that the applicable Transferor agrees to cure in accordance with this Section 4.2(d)). Each Transferor shall cure at or before Closing any Objection that it has agreed to cure in accordance with this Section 4.2(d).

(e) If (i) at any time after the effective date of the Title Commitment for a Property and prior to Closing, the Transferee of such Property obtains actual written notice of any matter affecting title to such Property, which such matter initially was recorded or filed in the Land Records after the effective date of such Title Commitment and could constitute an Objection under Section 4.2(d), or (ii) at any time after the Feasibility Period Expiration Date, the Transferee of such Property obtains actual knowledge of any matter that would be shown on a current survey (performed in accordance with the Survey Standards) of such Property, which such item initially arose after the Feasibility Period Expiration Date and was not shown on the applicable Survey for such Property and could constitute an Objection under Section 4.2(d), then such Transferee shall have the right to notify the Transferor of such Property of such items within five (5) Business Days after the Transferee receives such actual written notice or actual knowledge, as applicable, thereof (and in any event prior to Closing), and any such items as to which such Transferee provides such notice shall constitute Objections. If such Transferee timely notifies such Transferor of any such Objections, such Transferor shall cure such Objections at or prior to Closing, provided that such Transferor shall have the right to extend Closing for a period not to exceed five (5) Business Days in the aggregate if necessary to effect such cure.

(f) Each Transferor, with respect to the Property it seeks to transfer and convey, shall cure at or before the Closing (i) any mortgage lien affecting such Property and (ii) any other Objection that is based upon a mechanics’ lien, judgment lien, tax lien or other lien

securing a monetary amount and affecting such Property, but only if and to the extent the same can be removed (or bonded over) by the payment of a liquidated sum of money, and such Transferor may not refuse to cure the same. A lien shall be deemed cured if the applicable Transferor shall cause the lien to be released based on a bond provided by or on behalf of such Transferor. An Objection shall be deemed cured if the applicable Transferor shall cause the Title Company to delete the Objection as an exception to the Title Commitment and the owner's policy of title insurance or otherwise affirmatively insure over such Objection, provided that the form of any such affirmative insurance shall be subject to the approval of the Transferee of such Property (such approval not to be unreasonably withheld, delayed or conditioned).

(g) From and after the Effective Date and prior to Closing, no Transferor shall record in the Land Records any easement, covenant or other document affecting title to its Property without the prior consent of the Transferee of such Property.

4.3 Due Diligence Materials. Promptly upon request of the Transferee of any Property, prior to the Closing Date, each Transferor shall make available to the Transferee copies of all surveys, studies, tests, reports, design documents, zoning documents, leases, contracts, environmental assessments, engineering reports, and marketing studies and other information relating to the Property it seeks to transfer that are then held in the possession or control of such Transferor other than any such item which is privileged or as to which such Transferor is contractually restricted from distributing and which is identified on Exhibit N. Such material is provided without representation or warranty as to accuracy or completeness. Each Transferee shall treat all such information so received by it as confidential until Closing. SWLH acknowledges that, for purposes of this Agreement, it has actual knowledge of the information contained in any document identified on Exhibit N.

4.4 Due Diligence. In the event the Transferee of a Property is not satisfied, in its sole discretion, with the feasibility of such Transferee's acquisition, ownership, financing and/or redevelopment of such Property, then such Transferee shall have the absolute right to terminate this Agreement by delivering written notice of such termination to the Transferor of such Property at any time prior to 5:00 p.m. (Washington, D.C. time) on the date that is ninety (90) days following the Effective Date ("**Feasibility Period Expiration Date**"; the period beginning on the Effective Date and ending on the Feasibility Period Expiration Date being hereinafter referred to as the "**Feasibility Period**"). If a Transferee delivers such termination notice to such Transferor prior to 5:00 p.m. (Washington, D.C. time) on the Feasibility Period Expiration Date, this Agreement shall thereupon terminate and the District and SWLH shall be released from any further liabilities or obligations under this Agreement (other than those obligations that expressly survive the termination of this Agreement). Upon any such termination, each Transferee shall (i) restore the Property that it was to have acquired to substantially the same condition as existed immediately prior to such Transferee's entry thereon for purposes of conducting the Studies, (ii) deliver a copy of each of the third-party Studies to the Transferor of such Property if requested by such Transferor (but without any representation or warranty of any sort, including of quality, completeness or Transferor's right to rely thereon), and (iii) return to the Transferor of such Property all due diligence materials received by such Transferee pursuant to Section 4.3 hereof, each of which obligations shall survive the termination of this Agreement. If the Transferee of a Property fails for any reason to deliver such termination notice to the Transferor of such Property

prior to 5:00 p.m. (Washington, D.C. time) on the Feasibility Period Expiration Date, this Agreement shall continue in full force and effect in accordance with its terms.

ARTICLE 5

COVENANTS PRIOR TO CLOSING

5.1 **Exclusivity.** Until Closing or such time as this Agreement is terminated, neither Transferor nor any agent acting on behalf of either Transferor shall directly or indirectly solicit, initiate or encourage any inquiries or proposals from, or negotiate with, any third party relating to any transaction involving the transfer of its Property.

5.2 **Satisfaction of Conditions.** Prior to Closing, the District and SWLH shall each use diligent efforts to satisfy the conditions to Closing set forth in Article 6.

5.3 **Operation of Properties.**

(a) Prior to Closing, each Transferor shall operate the Property such Transferor seeks to transfer as part of the Land Exchange in the ordinary course of business, consistent with the practices and procedures in effect as of the Effective Date, except to the extent that this Agreement expressly provides otherwise.

(b) Prior to Closing, each Transferor shall not enter into any third-party service contracts, leases or licenses relating to the Property such Transferor seeks to transfer as part of the Land Exchange without first obtaining the written consent of the Transferee of such Property (such consent not to be unreasonably withheld, delayed or conditioned provided such contracts, leases or licenses are terminable at no cost, expense or penalty upon not more than thirty (30) days prior written notice to the applicable vendor, lessee or licensee).

(c) At Closing, the District, at its cost, shall cause all Reeves Leases to be converted to subleases under the District Lease (following such conversion, such Reeves Leases shall be the “**Reeves Subleases**”), which Reeves Subleases shall each provide for a term that does not extend beyond the term of the District Lease and require each subtenant to vacate the District Property at or prior to the expiration of the District Lease. At Closing, the District shall provide SWLH with copies of the documentation effecting such conversions and a copy of each Reeves Sublease.

5.4 **Notification of Certain Matters.** Prior to Closing, each Transferor shall give prompt notice to the other party of the occurrence, or failure to occur, of any event that causes any of its respective representations or warranties contained in this Agreement to be inaccurate in any material respect.

5.5 **Casualty.** Except as otherwise set forth in this Agreement, each Transferor assumes all risk of loss or damage to the Property such Transferor seeks to dispose of as part of the Land Exchange by fire or other casualty until Closing occurs. In the event that all or any portion of an individual Property is damaged or destroyed by fire or other casualty prior to Closing, the Transferor of such Property shall promptly notify the Transferee of the same. In the event the cost of repair related to a Property is less than \$1,000,000, the Transferor of such

Property shall promptly undertake such repair and complete the same prior to Closing (and Closing shall be extended for such period of time, not to exceed sixty (60) days, as may be reasonably necessary to permit such Transferor to complete the same). In the event the cost of repair thereof is equal to or greater than \$1,000,000, or such damage or destruction is not fully repaired by such Transferor prior to Closing, Transferee, in its sole discretion, shall either (i) proceed to Closing, in which event all insurance proceeds attributable to such damage or destruction shall be paid to Transferee at Closing (or if Transferor has not yet received such proceeds, Transferor shall assign to Transferee Transferor's rights to such proceeds), and Transferor shall pay to Transferee at Closing (or credit against any amounts owed by Transferee to Transferor at Closing) the amount of any deductible payable in connection with such proceeds, or (ii) terminate this Agreement, in which event the District and SWLH shall be released from any and all further liabilities or obligations under this Agreement.

5.6 **Condemnation.** In the event any governmental authority should notify a Transferor, or such Transferor should become aware, of any permanent or temporary actual taking or condemnation of any material portion of the Property such Transferor seeks to transfer as part of the Land Exchange, such Transferor shall promptly notify Transferee of the same. In such event, Transferee shall have the right, at its sole option, (i) to proceed to Closing, in which event any and all proceeds of such taking or condemnation shall be delivered or assigned to Transferee at Closing, or (ii) terminate this Agreement, in which event the District and SWLH shall be released from any and all further liabilities or obligations under this Agreement.

5.7 **Council Approval.** From and after the Effective Date, the District shall use its best efforts to obtain Council Approval. Notwithstanding anything to the contrary contained herein, each of SWLH and the District shall have the right to terminate this Agreement by written notice to the other given at any time after June 15, 2015 (which date may be extended by mutual agreement of SWLH and the District) and prior to Council Approval. If either SWLH or the District shall give such notice, this Agreement shall thereupon terminate and the District and SWLH shall be released from any further liabilities or obligations under this Agreement (other than those obligations that expressly survive the termination of this Agreement).

5.8 **Estoppel Certificates.** Prior to Closing, the District shall use reasonable efforts to cause the tenant under the Airspace Lease and the subtenants under the Reeves Subleases to execute the estoppel certificates in the form attached hereto as Exhibit K and Exhibit L, respectively. Any such estoppel certificates shall be delivered to SWLH promptly following the District's receipt thereof.

5.9 **Release of Urban Renewal Plan.** At or prior to Closing, the District shall cause the District Property to be fully released from the Urban Renewal Plan (and all covenants, requirements and restrictions set forth therein) by recordation in the Land Records of release documentation reasonably acceptable to SWLH and the Title Company. Such release of the District Property from the Urban Renewal Plan shall be referred to herein as the "**Urban Renewal Release.**"

5.10 **Soccer District Design Input.** The District and SWLH acknowledge that SWLH and/or its affiliates have significant property holdings in the vicinity of the SWLH Land in Squares 609 and 611 ("**Adjacent Property**"). The District intends to utilize some or all of the

SWLH Land for the construction of a Major League Soccer stadium (“**Soccer Stadium**”) and related development (“**Soccer District**”) that will impact the Adjacent Property. To the extent that the District has review or approval rights in its capacity as the fee owner regarding the design of the improvements to be constructed in the Soccer District, the District will seek SWLH’s Input regarding the operational or aesthetic impact that any such proposed development may have on the Adjacent Property, including the impact of (i) any structured parking, loading, tractor trailer parking, or garage entries on S Street SW, between 1st and 2nd Streets SW and (ii) ground floor uses in structures within the Soccer District fronting on S Street SW. For the avoidance of doubt, the foregoing is not intended to and shall not provide SWLH with any right of approval regarding development within the Soccer District. Moreover, any Input SWLH may provide shall be nonbinding on the District. The provisions of this Section 5.10 shall survive Closing.

5.11 **CLD Option.** If SWLH elects to pay Ten Thousand and 00/100 Dollars (\$10,000.00) (the “**Option Amount**”) at Closing, SWLH, its successors or assigns, shall acquire the right to purchase, and cause the District to transfer, at any time within fifteen (15) years of the Closing Date, up to 624,757 gross square feet of commercial Combined Lot Development rights (“**CLDs**”) from the Soccer District (the “**CLD Option**”). SWLH may exercise such right from time to time after the Closing Date by written notice (“**Option Notice**”) to the District stating the amount of CLDs to be purchased. From and after the District’s receipt of the Option Notice, the Parties shall diligently process such combined lot development covenant as may be required for the transfer of such CLDs. For any purchase of CLDs pursuant to an Option Notice given on or before December 31, 2018, the purchase price for such CLD’s shall be Ten and 00/100 Dollars (\$10.00) per square foot of CLD. For any purchase of CLDs pursuant to an Option Notice executed after December 31, 2018, the purchase price for such CLD’s shall be at fair market value, as agreed upon by the Parties, but in no event less than Ten and 00/100 Dollars (\$10.00) per square foot of CLD. If the Parties cannot agree upon fair market value, either Party may elect, within twenty (20) days after its receipt of the Option Notice, to determine the fair market of the CLDs by arbitration in accordance with the procedures set forth in Exhibit O hereto, in which case the fair market value established by such arbitration shall be used. Notwithstanding the foregoing, if such arbitration shall determine that the fair market value of the CLDs is in excess of Ten and 11/100 Dollars (\$10.00) per square foot of CLD, then during the thirty (30) day period after the determination of the arbitrators, SWLH shall have the right to rescind the Option Notice, in which event such Option Notice shall be of no further force or effect. The purchase of CLDs pursuant to the CLD Option may occur at one or more times within the fifteen (15) year period following the Closing Date. The Option Amount shall not be credited against the purchase price for the CLDs. The District shall include in any ground lease or other governing agreement in connection with the development of the Soccer District a provision whereby DC Stadium LLC (or any other ground tenant or developer entity) (i) acknowledges the CLD Option, (ii) agrees that the District may record one or more CLD covenants against title to the land on which the Soccer Stadium or Soccer District is constructed or is to be constructed and (iii) consents to the transfer of CLDs in accordance with this Section without any further consents. At Closing, SWLH and the District shall execute and record a memorandum setting forth the terms of the CLD Option as set forth herein. The provisions of this Section 5.11 shall survive Closing.

5.12 **1031 Exchange.** SWLH may desire to effect a tax-deferred like-kind exchange with respect to the transfer of the SWLH Property pursuant to Section 1031 of the Internal Revenue Code and any similar provisions of local law (a “**1031 Exchange**”). The District shall reasonably cooperate with SWLH in effecting any 1031 Exchange, including executing customary documentation reasonably acceptable to the District necessary to effectuate such 1031 Exchange, provided that SWLH shall indemnify the District from any liabilities or costs arising from such cooperation.

ARTICLE 6

CONDITIONS TO CLOSING

6.1 **SWLH’s Closing Conditions.** The obligation of SWLH to proceed to Closing is subject to the satisfaction, as of Closing, of each of the conditions listed below, any or all of which may be waived in whole or in part by SWLH (in its sole discretion):

(a) Each of the District’s representations and warranties set forth in this Agreement shall be correct in all material respects as of the Closing Date.

(b) The District shall have performed all of its material obligations under this Agreement required at or prior to Closing.

(c) Title to the District Property shall be good and marketable fee simple title, subject only to the Permitted Exceptions, and the Title Company shall be prepared to issue to SWLH, at regular rates, an owners policy of title insurance, free and clear of all encumbrances other than as provided herein.

(d) The District shall have obtained Council Approval.

(e) The tenant under the Airspace Lease shall have executed and delivered to SWLH an estoppel certificate in the form attached hereto as Exhibit K, and such certificate shall contain no statements inconsistent with the representations set forth in Section 3.2(i) hereof.

6.2 **Failure of SWLH’s Closing Conditions.** In the event of a failure of any condition precedent set forth in Section 6.1, SWLH, at its sole election, may either (i) terminate this Agreement by delivering written notice to the District, whereupon this Agreement shall be of no further force or effect (other than those provisions that expressly survive termination of this Agreement), (ii) waive the condition and proceed to Closing, (iii) extend the date for Closing for such additional period of time (not to exceed one hundred twenty (120) days in the aggregate) as may be reasonably required to allow such condition to be satisfied, or (iv) if such failure arises from the District’s breach of this Agreement, pursue the remedies provided in Section 8.1.

6.3 **District’s Closing Conditions.** The obligation of the District to proceed to Closing under this Agreement is subject to the satisfaction, as of Closing, of each of the following conditions, any or all of which, other than (d), may be waived in whole or in part by the District (in its sole discretion):

(a) Each of SWLH's representations and warranties set forth in this Agreement shall be correct in all material respects as of the Closing Date.

(b) SWLH shall have performed all of its material obligations under this Agreement required at or prior to Closing.

(c) Title to the SWLH Property shall be good and marketable fee simple title, subject only to the Permitted Exceptions, and the Title Company shall be prepared to issue to the District, at regular rates, an owners policy of title insurance, free and clear of all encumbrances other than the Permitted Exceptions.

(d) The District shall have obtained Council Approval.

6.4 Failure of District's Closing Condition. In the event of a failure of any condition precedent set forth in Section 6.3, the District, at its sole election, may either (i) terminate this Agreement by delivering written notice to SWLH, whereupon this Agreement shall be of no further force or effect (other than those provisions that expressly survive termination of this Agreement), (ii) waive the condition and proceed to Closing, (iii) extend the date for Closing for such additional period of time (not to exceed one hundred twenty (120) days in the aggregate) as may be reasonably required to allow such condition to be satisfied, or (iv) if such failure arises from SWLH's breach of this Agreement, pursue the remedies provided in Section 8.2.

ARTICLE 7

CLOSING

7.1 Closing Date. Closing shall occur on the thirtieth (30th) day following Council Approval, or such later date as SWLH and the District may agree or as otherwise set forth in this Agreement.

7.2 Closing. Closing shall take place in the office of the Title Company. The District and SWLH shall cooperate to effect Closing through an escrow with the Title Company.

7.3 SWLH's Closing Deliveries. On or before the Closing Date, SWLH shall deliver to the Title Company (executed and notarized, as appropriate) the following:

(a) a special warranty deed transferring the SWLH Property to the District (or its designee) in the form attached hereto as Exhibit B ("SWLH Deed");

(b) immediately available funds in an amount equal to the Additional Amount;

(c) immediately available funds in an amount equal to the Option Amount, should SWLH elect to acquire the CLD Option provided for in Section 5.11;

(d) a bill of sale in the form attached hereto as Exhibit D conveying to the District all Personal Property associated with the SWLH Land and the Improvements located thereon;

(e) an assignment and assumption of the Airspace Lease and all Intangible Property associated with the District Land and the Improvements located thereon in the form attached hereto as Exhibit J;

(f) an assignment and assumption of leases and contracts affecting the SWLH Property and all Intangible Property associated with the SWLH Land and the Improvements located thereon in the form attached hereto as Exhibit I;

(g) [intentionally omitted];

(h) one or more Combined Real Property Deed Recordation Tax and Real Property Transfer Tax Returns (Form FP-7) for each of the SWLH Property and the District Property;

(i) a certificate, duly executed by SWLH, confirming that its representations and warranties set forth in Section 3.1 of this Agreement remain correct in all material respects as if made on and as of the Closing Date (or noting any exceptions);

(j) an owner's title affidavit (including language customarily included within title affidavits for commercial properties in the District of Columbia) with respect to the SWLH Property in a form reasonably acceptable to the Title Company;

(k) evidence of termination of all leases and contracts affecting the SWLH Property other than those set forth on Exhibit G hereto;

(l) the District Lease;

(m) a settlement statement in accordance with the requirements of this Agreement and otherwise reasonably acceptable to SWLH and the District ("**Settlement Statement**");

(n) such evidence of the power and authority of SWLH to consummate the transactions described in this Agreement as may be reasonably required by the District or the Title Company;

(o) a FIRPTA Affidavit, duly executed by SWLH, in the form required by the Internal Revenue Code, providing that SWLH is not a "foreign person" within the meaning of Section 1445 of the Code; and

(p) such additional documents as may be reasonably necessary or customary to consummate the Land Exchange contemplated by this Agreement.

7.4 District's Closing Deliveries. On or before the Closing Date, the District shall deliver to the Title Company (executed and, if appropriate, notarized) the following:

(a) a special warranty deed transferring fee simple title to the District Property to SWLH (or its designee) substantially in the form attached hereto as Exhibit C ("**District Deed**");

(b) a bill of sale in the form attached hereto as Exhibit E conveying to SWLH all Personal Property associated with the District Land and the Improvements located thereon;

(c) an assignment and assumption of the Airspace Lease and all Intangible Property associated with the District Land and the Improvements located thereon in the form attached hereto as Exhibit J;

(d) an assignment and assumption of leases and contracts affecting the SWLH Property and all Intangible Property associated with the SWLH Land and the Improvements located thereon in the form attached hereto as Exhibit I;

(e) [intentionally omitted];

(f) one or more Combined Real Property Deed Recordation Tax and Real Property Transfer Tax Returns (Form FP-7) for each of the SWLH Property and the District Property;

(g) a certificate, duly executed by the District, confirming that its representations and warranties set forth in Section 3.2 of this Agreement remain correct in all material respects as if made on and as of the Closing Date (or noting any exceptions);

(h) an owner's title affidavit (including language customarily included within title affidavits for commercial properties in the District of Columbia) with respect to the District Property in a form reasonably acceptable to the District and the Title Company;

(i) the District Lease;

(j) document(s) described in Section 5.9 above effecting the Urban Renewal Release;

(k) the Settlement Statement;

(l) such evidence of the power and authority of the District to consummate the transactions described in this Agreement as may be reasonably required by SWLH or the Title Company;

(m) a FIRPTA Affidavit, duly executed by the District, in the form required by the Internal Revenue Code, providing that the District is not a "foreign person" within the meaning of Section 1445 of the Code; and

(n) such additional documents as may be reasonably necessary or customary to consummate the Land Exchange contemplated by this Agreement.

7.5 Closing Costs.

(a) SWLH shall pay (i) all costs of its due diligence with respect to the District Property, (ii) the premium of any title insurance obtained by SWLH with respect to the District Property, (iii) the cost of any Survey obtained by SWLH with respect to the District

Property, (iv) all customary escrow and closing charges of the Title Company, (v) any District of Columbia transfer taxes arising from the transfer of the SWLH Property to the District, (vi) any District of Columbia recordation taxes arising from the transfer of the District Property to SWLH and (vii) the fees and expenses of SWLH's counsel.

(b) The District shall pay (i) all costs of its due diligence with respect to the SWLH Property, (ii) the premium of any title insurance obtained by the District with respect to the SWLH Property, (iii) the cost of any Survey obtained by the District with respect to the SWLH Property, (iv) any District of Columbia transfer taxes arising from the transfer of the District Property to SWLH (to the extent that the District is not exempt from such taxes), (v) any District of Columbia recordation taxes arising from the transfer of the SWLH Property to the District (to the extent that the District is not exempt from such taxes), and (vi) the fees and expenses of the District's counsel.

7.6 **Pro-rations.** For each Property exchanged, all real and personal property taxes, assessments and all other public or governmental charges (including charges, assessments, liens or encumbrances for sewer, water, drainage or other public improvements completed or commenced on or prior to the Closing Date), business improvement district taxes, utility charges (if any), and any other items customarily adjusted shall be apportioned with respect to such Property between the Transferor and Transferee as of 12:01 a.m. on the Closing Date.

ARTICLE 8

DEFAULT

8.1 **District's Default.** If the District defaults in any of its obligations under this Agreement at or prior to Closing, or if any condition to Closing set forth in Section 6.1(a) or 6.1(b) is not satisfied, and if such default is not cured or condition is not satisfied within thirty (30) days after SWLH has given the District notice of the same (such event, a "**District Default**"), then SWLH, as its sole and exclusive remedies, may elect any one of the following remedies:

(a) SWLH may terminate this Agreement by written notice to the District, whereupon the District shall reimburse SWLH for actual out-of-pocket costs and expenses paid by SWLH in connection with the transaction described in this Agreement in an amount not to exceed Two Hundred Thousand and 00/100 Dollars (\$200,000) and this Agreement shall be of no further force or effect (other than those provisions that expressly survive termination of this Agreement); or

(b) SWLH may pursue the remedy of specific performance against the District.

8.2 **SWLH's Default.** If SWLH defaults in any of its obligations under this Agreement at or prior to Closing, or if any condition to Closing set forth in Section 6.3(a) or (b) is not satisfied, and if such default is not cured or condition is not satisfied within thirty (30) days after the District has given SWLH notice of the same (such event, a "**SWLH Default**"), then the District, as its sole and exclusive remedies, may elect any one of the following remedies:

(a) The District may terminate this Agreement by written notice to SWLH, whereupon SWLH shall reimburse the District for all actual out-of-pocket costs and expenses paid by the District in connection with the transaction described in this Agreement in an amount not to exceed Two Hundred Thousand and 00/100 Dollars (\$200,000) and this Agreement shall be of no further force or effect (other than those provisions that expressly survive termination of this Agreement); or

(b) The District may pursue the remedy of specific performance against SWLH.

8.3 **Waiver of Damages.** SWLH and the District each expressly waives any right to recover damages (whether actual, consequential, punitive or other) from the other as a result of any default on the part of the other under this Agreement at or prior to Closing.

ARTICLE 9

DEVELOPMENT OF DISTRICT PROPERTY

9.1 **Permits and Approvals.** From and after Closing, the District shall use all reasonable efforts to facilitate and expedite all District of Columbia plan and permit reviews and approvals in connection with the demolition and redevelopment of the District Property by SWLH or its affiliate(s), including, without limitation facilitating the issuance of a demolition permit covering the District Property within thirty (30) days following the District's vacation of the District Property (following the expiration or earlier termination of the District Lease); provided that all applications for such plan and permit reviews and approvals are in compliance with all applicable ordinances, regulations and codes and, in the case of the demolition permit, the initial application was submitted at least six (6) months prior to the expiration or earlier termination of the District Lease.

9.2 **Survival.** This Article 9 shall survive Closing.

ARTICLE 10

MISCELLANEOUS

10.1 **Modifications and Waivers.** No modification or amendment to this Agreement, or waiver of any provision of this Agreement, shall be valid unless the same is in writing and signed by the party against which the enforcement of such modification, amendment or waiver is sought. This Agreement contains the entire agreement between the parties relating to the transaction contemplated hereby, and all prior or contemporaneous agreements, understandings, representations, and statements, oral or written, are merged herein.

10.2 **Successors and Assigns.** SWLH shall have the right to assign all or any portion of this Agreement to any Person that is an affiliate of SWLH. All terms of this Agreement shall be binding upon, and inure to the benefit of and be enforceable by the parties hereto and their respective legal representatives, successors, and assigns.

10.3 **Governing Law.** This Agreement is intended to be performed in the District of Columbia and shall be construed and enforced in accordance with the laws of the District of Columbia (without regard to conflicts of laws principles).

10.4 **Jurisdiction.** For the purpose of any suit, action or proceeding arising out of or relating to this Agreement, the parties hereby irrevocably consent and submit to the jurisdiction and venue of the courts of the District of Columbia. ALL PARTIES HERETO WAIVE THE RIGHT TO TRIAL BY JURY IN CONNECTION WITH ANY LITIGATION ARISING IN RESPECT OF THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY.

10.5 **Notices.** All notices, requests, demands, and other communications hereunder shall be in writing and shall be deemed to have been duly given if delivered personally, or by recognized air or overnight courier, or if sent by registered or certified mail, return receipt requested, and postage prepaid, to a party at its address set forth below, or at such other address as such party may specify from time to time by written notice to the other party:

If to the District:

Allen Y. Lew
City Administrator
John A. Wilson Building
1350 Pennsylvania Avenue, N.W.
Suite 521
Washington, D.C. 20004

with copies to:

Scott Burrell
Chief Operating Officer
Department of General Services
2000 14th Street, N.W.
8th Floor
Washington, D.C. 20009

Susan C. Longstreet, Esquire
Deputy Attorney General - Commercial Division
Office of the Attorney General for the District of Columbia
441 4th Street, N.W.
10th Floor
Washington, D.C. 20001

If to SWLH:

SW Land Holder, LLC
c/o Akridge
601 Thirteenth Street, N.W.
Suite 300 North

Washington, D.C. 20005
Attn: Matthew J. Klein
Phone: 202/624-8612
Fax: 202/347-8043

with copies to:

Akridge
601 Thirteenth Street, N.W.
Suite 300 North
Washington, D.C. 20005
Attn: Andy Pace
Phone: 202/624-8623
Fax: 202/347-8043

Arnold & Porter LLP
555 Twelfth Street, N.W.
Washington, D.C. 20004
Attn: Michael D. Goodwin
Phone: 202/942-5558
Fax: 202/942-5999

10.6 **Exhibits; Recitals.** All exhibits and schedules referred to herein and attached hereto are incorporated by reference into this Agreement. The Recitals of this Agreement are incorporated herein by this reference and made a substantive part of the agreements between the District and SWLH.

10.7 **Severability.** If any provision of this Agreement or any application thereof shall be invalid, illegal, or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions hereof and any other application thereof shall not in any way be affected or impaired, and such remaining provisions shall continue in full force and effect.

10.8 **Construction.** Each party hereto and its counsel has reviewed and revised (or requested revisions of) this Agreement, and the normal rule of construction that any ambiguities are to be resolved against the drafting party shall not be applicable in the construction and interpretation of this Agreement.

10.9 **Time Periods; Time of the Essence.** Any time period hereunder that expires on, or any date hereunder that occurs on, a day that is not a Business Day shall be deemed to be postponed to the next Business Day. Time is of the essence with respect to this Agreement.

10.10 **Captions.** The captions of this Agreement are inserted for convenience of reference only and do not define, describe, or limit the scope or the intent of this Agreement or any term hereof.

10.11 **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one

and the same instrument. Execution and delivery of this Agreement by facsimile shall be sufficient for all purposes and shall be binding on any Party who so executes.

10.12 Underground Storage Tank Disclosure. In accordance with the requirements of the D.C. Underground Storage Tank Management Act of 1990, as amended (D.C. Code § 8-113.01 *et seq.*) (the “**UST Act**”) and the applicable D.C. Underground Storage Tank Regulations, 20 DCMR Chapter 56 (the “**UST Regulations**”), each Transferor hereby informs each Transferee, with regard to its respective Property, that it has no knowledge of the existence or removal during its ownership of its Property of any “underground storage tanks” as that term is defined in the UST Act. Information pertaining to underground storage tanks and underground storage tank removals of which the D.C. Government has received notification is on file with the D.C. Department of the Environment, Underground Storage Tank Branch, 51 N Street, N.E., Third Floor, Washington, D.C., telephone (202) 535-2525.

10.13 Soil Disclosure. Each Transferee is hereby advised that the characteristic of the soil of the Property it is seeking to acquire may be obtained from the Soil Conservation Service of the United States Department of Agriculture is Urban Land. For further information, each Transferee may contact a soil testing laboratory, the District of Columbia Department of Environmental Services, or the Soil Conservation Service of the United States Department of Agriculture.

10.14 No Recordation. Neither this Agreement nor any memorandum or notice hereof shall be recorded in the Land Records.

10.15 District's Representatives Not Individually Liable. No member, official, or employee of the District shall be personally liable to SWLH, or any successor in interest, in the event of any default or breach by the District or for any amount that may become due to SWLH, or any successor in interest, or on any obligations under the terms of this Agreement or in any manner arising herefrom.

10.16 Anti-Deficiency Limitations.

(a) The obligations of the District to fulfill financial obligations pursuant to this Agreement, or any subsequent agreement entered into pursuant to this Agreement or referenced herein (to which the District is a party), are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349–1351, 1511–1519 (2004) (the “**Federal ADA**”), and D.C. Official Code §§ 1–206.03(e) (2006 Supp.) and 47–105 (2001) (2006 Repl.); (ii) the District of Columbia Anti-Deficiency Act, D.C. Official Code §§ 47–355.01 to .08 (2006 Supp.) (the “**D.C. ADA**” and (i) and (ii) collectively, as amended from time to time, the “**Anti-Deficiency Acts**”); and (iii) Section 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1–204.46 (2006 Supp.).

(b) The District agrees to exercise all lawful authority available to it to satisfy any financial obligations of the District that may arise under this Agreement. While this Agreement remains in effect, the Mayor of the District of Columbia or other appropriate officials shall, for each fiscal period, include in the budget application submitted to the Council of the District of Columbia the amount necessary to fund the District’s known potential financial

obligations under this Agreement for such fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay such financial obligations for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payment under this Agreement upon the expiration of any then-existing appropriation and the District shall promptly notify SWLH of the same.

(c) Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section or in the event of a District Default under this Agreement.

(d) This Agreement shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District of Columbia Official or employee is authorized to obligate or expend any amount under this Agreement unless such amount has been appropriated by Act of Congress and is lawfully available.

10.17 **Name; Branding.** From and after Closing, the District shall retain the ownership of, the rights and privileges for the use of, and all branding associated with, the name “The Frank D. Reeves Municipal Center”.

10.18 **Repurchase.** SWLH acknowledges that the exchange provided in this Agreement is being entered into by the District in order to facilitate the construction of the Soccer Stadium. As such, if the ground lease the District enters into with DC Stadium LLC in connection with the development of the Soccer District and the construction of the Soccer Stadium is terminated for any reason prior to June 15, 2015, the District shall have the right to require SWLH to repurchase the fee ownership of the SWLH Land by providing written notice to SWLH within thirty (30) days of the termination of such ground lease (the “**Repurchase Transaction**”). In the event timely notice is received by SWLH, SWLH will be required to repurchase the SWLH Land within 180 days of receipt of such notice for the SWLH Value less the sum of (i) all costs (including without limitation transaction costs, transfer and recordation taxes and reasonable third-party professional costs) incurred by SWLH for the transfer of the SWLH Property to the District in the Land Exchange (but not the costs incurred in acquiring the District Property from the District) and the Repurchase Transaction and (ii) the value of any impairments to the SWLH Property incurred during the period the SWLH Property was owned by the District, including the value of terminated leases and license agreements. The documentation of the Repurchase Transaction shall be in accordance with the documentation of the Land Exchange, *mutatis mutandis*. Each Party shall execute such documents and take such action as shall be reasonably requested by the other Party hereto to confirm or to effectuate the Repurchase Transaction under this Section 10.18.

[signatures on following pages]

Exhibit C

Form of District Deed

SPECIAL WARRANTY DEED

THIS DEED, made as of the ___ day of _____, 201_ by **THE DISTRICT OF COLUMBIA**, a municipal corporation (“**GRANTOR**”), having a mailing address in care of the Office of [_____], 1350 Pennsylvania Avenue, Suite [___], Washington, D.C. 20004, and **SW LAND HOLDER, LLC**, a Delaware limited liability company (the “**GRANTEE**”), having a mailing address of 601 Thirteenth Street, N.W., Washington, D.C. 20005.

WITNESSETH, that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Grantee and its successors and assigns, in fee simple, all of the right, title and interest of the Grantor in, to and under that lot or parcel of land, together with the improvements thereon, and all rights, and privileges, and appurtenances to the same belonging, situate, lying and being in the District of Columbia, described as follows (the “**Property**”), to wit:

See attached Exhibit A

SUBJECT to all easements, covenants and restrictions of record against title to the Property and in effect as of the date first above written.

TO HAVE AND TO HOLD the same unto and for the use of the Grantee, its successors and assigns, in fee simple, forever;

AND said Grantor covenants that it has the right to convey to Grantee the above-described property, that it will warranty specially said property, and that it will execute such further assurances of said property as may be requisite.

[signature page follows]



IN WITNESS WHEREOF, the Grantor has caused this Special Warranty Deed to be executed in its name by _____, its authorized representative, as of the date first set forth above.

GRANTOR:

DISTRICT OF COLUMBIA, by and through the
[_____]

By: _____
Name:
Title:

Approved for Legal Sufficiency:

Office of the Attorney General for the
District of Columbia

By: _____
Assistant Attorney General

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that _____ on behalf of the DISTRICT OF COLUMBIA, whose name is signed to the foregoing Special Warranty Deed bearing date on the ____ day of _____, 201__, personally appeared before me in said jurisdiction, and, being personally known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Special Warranty Deed, and acknowledged said Special Warranty Deed to be the act and deed of the District of Columbia for the purposes therein set forth.

Given under my hand and seal this ____ day of _____, 201__.

Notary Public

My Commission Expires: _____

After recording, please return to:
Arnold & Porter LLP
555 12th Street, N.W.
Washington, D.C. 20004-1206
Attn: Matthew Johnston, Esq.

Exhibit D

Form of SWLH Bill of Sale

BILL OF SALE

THIS BILL OF SALE (“**Bill of Sale**”) is made as of _____, 2014, by SW Land Holder, LLC, a Delaware limited liability company (“**SWLH**”) in favor of the District of Columbia, a municipal corporation acting by and through the Department of General Services (“**District**”).

RECITALS:

Pursuant to an Exchange Agreement dated as of _____, 2014 (“**Agreement**”) between SWLH and the District, SWLH has agreed to convey and transfer to the District certain real property and improvements located on Buzzard Point in Washington, D.C. (Lots 13 in Square 607). Pursuant to the Agreement, SWLH also desires to convey and transfer to the District, and the District desires to accept from SWLH, the Personal Property owned by SWLH and associated with the SWLH Land and the Improvements located thereon. All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, SWLH agrees as follows:

1. **Transfer of Property.** SWLH hereby assigns, conveys, transfers, and grants to the District all of its right, title and interest in the Personal Property associated with the SWLH Land and the Improvements located thereon. SWLH is making no representations or warranties with respect to such Personal Property except to the extent expressly set forth in the Agreement.

2. **Further Assurances.** Promptly upon request of the other party, the District and SWLH shall each execute and deliver to the other such further assurances and take such further actions as may be reasonably required or appropriate to perfect the transfer of the aforesaid Personal Property and otherwise carry out the intent and purpose of this Bill of Sale.

3. **Binding Effect and Assignment.** This Bill of Sale shall be binding upon SWLH and its successors and assigns, and shall inure to the benefit of the District and its successors and assigns.

4. **Governing Law.** This Bill of Sale shall be governed by and construed in accordance with the laws of the District of Columbia (without reference to conflicts of laws principles).

[signatures appear on following page]

AS

IN WITNESS WHEREOF, SWLH has executed this Bill of Sale under seal as of the date first above written.

SWLH:

SW LAND HOLDER, LLC

By: JACO SW Land, LLC, its managing member

By: JACO Manager, Inc., its managing member

By: _____
Name:
Title:

Exhibit E

Form of District Bill of Sale

BILL OF SALE

THIS BILL OF SALE (“**Bill of Sale**”) is made as of _____, 2014, by the District of Columbia, a municipal corporation acting by and through the Department of General Services (“**District**”) in favor of SW Land Holder, LLC, a Delaware limited liability company (“**SWLH**”).

RECITALS:

Pursuant to an Exchange Agreement dated as of _____, 2014 (“**Agreement**”) between SWLH and the District, the District has agreed to convey and transfer to SWLH certain real property and improvements commonly known as the Reeves Municipal Center in Washington, D.C. (Lots 844 and 7000 in Square 204). Pursuant to the Agreement, the District also desires to convey and transfer to SWLH, and the SWLH desires to accept from the District, the Personal Property owned by the District and associated with the District Land and the Improvements located thereon. All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the District agrees as follows:

1. **Transfer of Property.** The District hereby assigns, conveys, transfers, and grants to SWLH all of its right, title and interest in the Personal Property associated with the District Land and the Improvements located thereon. The District is making no representations or warranties with respect to such Personal Property except to the extent expressly set forth in the Agreement.

2. **Further Assurances.** Promptly upon request of the other party, the District and SWLH shall each execute and deliver to the other such further assurances and take such further actions as may be reasonably required or appropriate to perfect the transfer of the aforesaid Personal Property and otherwise carry out the intent and purpose of this Bill of Sale.

3. **Binding Effect and Assignment.** This Bill of Sale shall be binding upon the District and its successors and assigns, and shall inure to the benefit of SWLH and its successors and assigns.

4. **Governing Law.** This Bill of Sale shall be governed by and construed in accordance with the laws of the District of Columbia (without reference to conflicts of laws principles).

[signatures appear on following page]



IN WITNESS WHEREOF, the District has executed this Bill of Sale under seal as of the date first above written.

DISTRICT:

DISTRICT OF COLUMBIA, by and through the
Department of General Services

By: _____
Name:
Title:

Exhibit F
Form of District Lease

[see attached]

AS

D.C. DEPARTMENT OF GENERAL SERVICES

1. LEASE NO.

AWARD OF IN LEASE

2. BUILDING NAME AND ADDRESS (No., street, city, state, and zip code)

Reeves Municipal Center
2000 14th Street, NW
Washington, D.C. 20009

3. Your offer is hereby accepted. THIS AWARD CONSUMMATES THE LEASE WHICH CONSISTS OF THE FOLLOWING DOCUMENTS (as such documents have been altered by the parties): [insert additional forms as applicable]

- (a) this DC DGS Form L-100 (Award),
- (b) DC DGS FORM L-103 (Definitions)
- (c) DC DGS FORM L-104 (Standard Clauses and exhibits attached thereto)
- (d) DC DGS FORM L-102 (Accepted Proposed Terms)

In the event of conflict, the order of priority between the documents comprising the Lease shall be in the order above.

4a. LANDLORD'S NOTICE AND PAYMENT ADDRESS:

Prior to Closing:	SW Land Holder, LLC c/o Akridge 601 13th Street NW, Ste. 300N Washington, DC 20005	Upon Closing:	14U Investors, LLC, c/o Akridge 601 13th Street NW, Ste. 300N Washington, DC 20005
-------------------	---------------------------------------------------------------------------------------------	---------------	---------------------------------------------------------------------------------------------

4b. DISTRICT'S NOTICE ADDRESS:

Director
District of Columbia Department of General Services
2000 Fourteenth Street, N.W., 8th Floor, Washington D.C. 20009

with a copy to:
Real Estate Section of the Commercial Division
The Office of the Attorney General for the District of Columbia
1100 Fifteenth Street, N.W., Suite 800, Washington D.C. 20005
Attn: Deputy of the Commercial Division

5. LANDLORD'S SIGNATURE (Insert Landlord's signature block including name of Lessor and name and title of Signatory):

5a. SIGNATURE

5b. DATE

THIS DOCUMENT IS NOT BINDING ON THE DISTRICT OF COLUMBIA UNLESS SIGNED BELOW BY THE DIRECTOR OF THE DEPARTMENT OF GENERAL SERVICES OF THE DISTRICT OF COLUMBIA AND BY THE OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA AND, IF THE ANNUAL RENT IS EQUAL TO OR EXCEEDS \$1,000,000, APPROVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA PURSUANT TO D.C. OFFICIAL CODE § 1-204.51.

DISTRICT'S SIGNATURES

6. NAME OF DIRECTOR

6a. SIGNATURE OF DIRECTOR

6b. DATE

Approved as to Legal Sufficiency:

7. NAME

7a. TITLE

7b. SIGNATURE

7c. DATE

LEASE COMMENCEMENT DATE *(Insert the date that this Lease is fully executed above, subject, to prior Council Approval, if applicable)*

8.

SECTION I - DESCRIPTION OF PREMISES

1a. BUILDING NAME The Reeves Center		2a. FLOORS OFFERED 8 Above Grade 2 Below Grade	3. TOTAL RENTABLE SPACE		
1b. BUILDING ADDRESS 2000 14th Street NW			2b. TOTAL NUMBER OF FLOORS IN BUILDING 8 Above / 2 Below	a. GENERAL PURPOSE (Office) 304,290 sq. ft.	b. WAREHOUSE sq. ft.
1c. CITY Washington	1d. STATE DC	4. LIVE FLOOR LOAD N/A lbs. / sq. ft.		5. MEASUREMENT METHOD ANS/BOMA <input checked="" type="checkbox"/> OTHER <input type="checkbox"/>	6. YEAR OF LAST MAJOR RENOVATION (if applicable)
1e. 9-DIGIT ZIP CODE 20009	1f. DISTRICT WARD 1				

SECTION II - SPACE OFFERED AND RATES

	ANS/BOMA OFFICE AREA SQUARE FEET (1)	RENTABLE SQUARE FEET (2)	COMMON AREA FACTOR (3)	INITIAL TERM		5. SPACE BUILDOUT & AMORTIZATION		
				SQ. FT. RATE PER YEAR (RENTABLE) (4)	TOTAL ANNUAL AMOUNT (2) x (4) (5)		DOLLAR AMOUNT	
a. ANNUAL RENTAL NNN Lease	212,834	304,290	1.4297	\$18.63	\$5,668,923	a. TOTAL BUILDOUT	\$ 0	
b. OPERATING COSTS (SERVICE COSTS)	(Refer to Line 27 on DC DRES Form L-101)			By Tenant	By Tenant	b. SHELL BUILDOUT (Per requirements in SFO)	\$ 0	
c. CURRENT REAL ESTATE TAX	Include in Shell Rent and Provide Current Year Statement (Refer to Line 28 on DC DRES Form L-101)			TBD at Closing (Tenant to Reimburse)	TBD at Closing (Tenant to Reimburse)	c. TENANT IMPROVEMENTS (Per requirements in SFO)	(Excluding 9c requirements) \$ 0	
d. AMORT. OF TENANT IMPROVEMENTS	(Complete items 9a thru 10)			(10 divided by 8a(2)) \$ 0	(see 10) \$ 0	d. AMORT. RATE	0 %	
e. SHELL RENTAL	8a(5) minus sum of (8b(5)) and 8d(5))			\$18.63	\$5,668,923	e. AMORT. TERM	MONTHS	
Note: When multiplying column 4 by column 2, it may not equal column 5, due to rounding. The Offeror is encouraged to minimize the rounding error.						f. AMORT. OF TENANT IMPROVEMENTS (USE 9c AS BASE)	\$ 0 (per month)	
11.	Tenant Improvements shall be all alterations for the Government-leased area above the building shell build out. The Tenant Improvement Allowance as stated under Block 9c is not included in the shell rent. It is expected that the tenant build out will be fully amortized at the end of the firm term and the rent reduced accordingly. Any desired rent increases or decreases should be reflected in the shell rate and fully explained as part of this written proposal. If tenant improvements are to be amortized beyond the firm term, said calculations will be itemized as part of this written proposal.						10. AMORT. OF TENANT IMPROVEMENTS	(or x 12 months) \$ N/A (per year)
12.	COMMISSIONS a. Tenant Representative Commission: % 0		b. Owner's Representative Commission: % 0		c. Schedule of Commission payments: 0 % at lease award and/or 0 % at lease occupancy			
13.	a. Number of parking spaces for the entire building/facility which are under the control of the Offeror: 349		b. Number of parking spaces for Official Government Vehicles (per SFO): Annual cost per space: \$ 0		c. Number of parking spaces for Employee/Visitor Use: Annual cost per space: 0 \$ Number required by local code: 158			

SECTION III - LEASE TERMS AND CONDITIONS

14. INITIAL LEASE TERM (Full Term)			15. RENEWAL OPTIONS			
a. NUMBER OF YEARS 3	d. YEARS FIRM 3	c. NUMBER OF DAYS NOTICE REQUIRED FOR GOVERNMENT TO TERMINATE LEASE: N/A	a. SHELL RATE / RSF / YR N/A	b. YEARS EACH N/A	c. NUMBER OF OPTIONS N/A	d. NUMBER OF DAYS NOTICE REQUIRED TO EXERCISE RENEWAL OPTION: N/A
d. LEASE COMMENCEMENT DATE: Closing on Exchange						

AK

16. OFFER GOOD UNTIL AWARD	17. Space will be altered and delivered in accordance with the Government's specifications and requirements in accordance with the Solicitation of Offers / Request for Proposals and any additional attachments. / N/A
----------------------------	-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------

18. LIST OF ATTACHMENTS SUBMITTED WITH THIS OFFER (See Solicitation / Request for Proposals requirements)

See attached DC DGS Form L-100

19. ADDITIONAL REMARKS OR CONDITIONS WITH RESPECT TO THIS OFFER (See Section 11 of DC DRES Form L-104 describing Lessor provided services.)

[NOTE: This form is attached to that certain Exchange Agreement between SW Land Holder, LLC and the District of Columbia. Upon execution at Closing under the Exchange Agreement, this Lease will be a fully triple net lease, and the District agrees to accept the premises in its as-is, where-is condition, all as more fully set forth in the Lease.]

SECTION IV - OWNER IDENTIFICATION AND CERTIFICATION

20. RECORDED OWNER (Name and address including ZIP code)

Prior to Closing:	SW Land Holder, LLC, c/o Akridge 601 13th Street NW, Ste. 300N Washington, DC 20005	Upon Closing:	14U Investors, LLC, c/o Akridge 601 13th Street NW, Ste. 300N Washington, DC 20005
-------------------	-------------------------------------------------------------------------------------------	---------------	------------------------------------------------------------------------------------------

21. BY SUBMITTING THIS OFFER, THE OFFEROR AGREES UPON ACCEPTANCE OF THIS PROPOSAL BY THE HEREIN SPECIFIED DATE, TO LEASE TO THE DISTRICT OF COLUMBIA, THE PREMISES DESCRIBED, UPON THE TERMS AND CONDITIONS AS SPECIFIED HEREIN, IN FULL COMPLIANCE WITH AND ACCEPTANCE OF THE AFOREMENTIONED SOLICITATION OF OFFERS / REQUEST FOR PROPOSALS, WITH ATTACHMENTS.

22. OFFEROR'S INTEREST IN PROPERTY	OWNER	AGENT	OTHER (Specify):
	Upon Closing with District <input type="checkbox"/>	<input type="checkbox"/>	

23. OFFEROR	
a.	b. E-MAIL ADDRESS: agooch@akridge.com
	c. TELEPHONE NUMBER (including area code): 202-624-8602
d. SIGNATURE	e. DATE SIGNED - -

AM

**DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL
SERVICES**

**IN-LEASE
DEFINITIONS**

“**Additional Rent**” means Real Estate Taxes, Insurance Costs and any other monetary payments, costs or obligations payable by District under the Lease in addition to Annual Rental.

“**Airspace Lease**” the Lease Agreement for Rental of Airspace between the District and Parcel 13 Associates Limited Partnership, dated October 8, 1986 and recorded in the Land Records as Instrument No. 42522, as amended by that certain First Amendment to Lease Agreement for Rental of Airspace dated November 11, 2009 and recorded in the Land Records as Instrument No. 2009123478.

“**Airspace Parcel**” means the “Premises” described in the Airspace Lease. The Airspace Parcel is Lot 7000 in Square 204 in Washington, D.C.

“**Agent**” means a party’s agent, officer, or employee.

“**Alteration**” means any improvement, addition, alteration, fixed decoration, substitution, replacement or modification, structural or otherwise, in or to the Premises, but does not include removable fixtures, furniture, or equipment.

“**Annual Rental**” means the base rent due under the Lease as set forth in Section II(8a) on DC DRES Form L-102TIA. Annual Rental excludes any payments for Real Estate Taxes and

Insurance Costs.

“**Base Building Conditions**” is the exterior of the Building, the demising walls (if any), load bearing elements, foundations, roof, slab ceilings, slab flooring, mechanical core areas, and Building Structures and Systems.

“**BOMA Measurement Standard**” or “**BOMA**” means the Building Owners and Managers Association Standard Method for Measuring Floor Area in Office Building (BOMA/ANSI Z65.1-1996).

“**Building**” means the building specified in Section I(1) on DC DRES Form L-102TIA, which includes the Garage.

“**Building Hours**” means, unless otherwise specified on DC DRES Form L-102TIA, the hours between 7:00 a.m. to 7:00 p.m. Monday through Friday, and between 8:00 am to 2:00 pm on Saturday (excluding legal holidays recognized by the District of Columbia).

“**Building Structures and Systems**” is the Building standard mechanical, electrical, telephone/telecommunication systems, lighting, HVAC and plumbing systems, elevator core and mechanical systems, safety and environmental management systems, pipes and conduits, including any system or equipment installed for the purposes of keeping below-grade levels dry, columns, plate glass windows, window cleaning tracks, atrium, loading docks, grounds, Garage, all mechanical and janitorial closets, and all other structures or systems serving the Building.

“**Default Rate**” means the interest rate per annum which is two percent (2%) greater than the “prime rate” then in

AS

effect at Citibank, N.A., New York, New York or its successor.

“**District Default**” is defined in Section 18.1(a) on DC DRES Form L-104.

“**District**” means the District of Columbia, by and through its Office of General Services, as the tenant under this Lease.

“**Environmental Default**” means any of the following caused in whole or in part by District, any District Representative or any contractor, vendor or invitee of District: a violation of Environmental Laws; a release, spill or discharge of Hazardous Materials on or from the Premises; or an environmental condition requiring responsive action.

“**Environmental Law**” means any present and future laws and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any so-called “Super Fund”

or “Super Lien” law, any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions and decrees now or hereafter promulgated thereunder).

“**Event of Default**” is either a District Default or a Landlord Default, as the case may be.

“**False Claims Provisions**” means D.C. Official Code §§ 2-308.13 - 2-308.19.

“**FOIA**” means D.C. Freedom of Information Act, D.C. Official Code § 2-531, *et seq.*

“**Force Majeure Event**” means any of the following that directly cause any of a party’s obligations under the Agreement not to be performed in a timely manner: an act of God (including fire, flood, earthquake, hurricane, or other natural disaster), war, acts of terrorism (as defined by the United Nations Security Council), insurrection, riot, a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure or unavailability of transportation, strike, lockout, or other actions of labor unions, or any other cause, whether similar or dissimilar to the foregoing that is not within the reasonable control of the party or caused by the fault or negligence of such party.

“**Garage**” means the subsurface parking garage located in the Building.

“**Hazardous Materials**” means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise

classified pursuant to, any Environmental Laws or any other applicable Laws as a “hazardous substance,” “hazardous material,” “hazardous waste,” “infectious waste,” “toxic substance,” “toxic pollutant” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or Toxicity Characteristic Leaching Procedure (TCLP) toxicity; (b) any petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product and any other substance the presence of which could be detrimental to the Building or the Land or hazardous to health or the environment.

“**Insurance Costs**” is defined in Section 14.6 on DC DRES Form L-104.

“**Land**” means Lot 844 in Square 204 in Washington, D.C., but excluding the Airspace Parcel.

“**Landlord Default**” is defined in Section 18.2(a) on DC DRES Form L-104.

“**Landlord Payment Address**” is set forth in Section 4(a) on DC DRES Form L-100, as may be revised in accordance with the notice provisions of this Lease.

“**Laws**” means all applicable laws

(including, without limitation, the Americans with Disabilities Act (the “**ADA**”), 101 P.L. 336; 104 Stat. 327, together with the requirements under Title II and Title III of the ADA) and the regulations promulgated thereunder, as the same may be amended from time to time, ordinances (including without limitation, zoning ordinances and land use requirements), codes, regulations, orders, rules and regulations of the District of Columbia, the United States or other governmental or quasi-governmental entities.

“**Lease Commencement Date**” means the date the Lease is fully executed subject, if the annual rent for a twelve (12) month period is equal to or greater than \$1,000,000, to the prior approval of the Lease by the Council of the District of Columbia pursuant to D.C. Official Code § 1-204.51(b) and D.C. Official Code § 10-1008, which date is set forth in Section III(14)(d) on DC DRES Form L-102TIA.

“**Lease Term**” is the period set forth in Section III(14) on DC DRES Form L-102TIA, together with any extensions thereto, in all events subject to the terms of Section 27.1 of DC DRES Form L-104.

“**Lease Year**” means (i) the first period of twelve (12) consecutive calendar months following the Lease Commencement Date plus any partial month following the Lease Commencement Date and preceding such twelve month period and (ii) each successive twelve (12) month period thereafter until the Lease Term ends.

“**Operating Costs**” means all costs and expenses incurred in connection with the maintenance, operation, management,

replacement and repair of the Premises (other than Insurance Costs), including, without limitation (i) gas, electricity, water, sewer and other utility charges (including surcharges) of whatever nature, (ii) building personnel costs, including, but not limited to, salaries, wages, fringe benefits and other direct and indirect costs of engineers, superintendents, watchmen, porters and any other building personnel, (iii) costs of service and maintenance contracts, including, but not limited to, chillers, boilers, controls, elevators, mail chutes, windows, janitorial and general cleaning, security services, and management fees, (iv) all other maintenance and repair expenses and supplies.

“Premises” means the premises as set forth in Section I on DC DRES Form L-102TIA. The Premises includes the entire Building and the Land. For the avoidance of doubt, the Premises excludes the Airspace Parcel.

“Rent” means Annual Rental and Additional Rent.

“Real Estate Taxes” shall have the meaning set forth in Section 7.5(c) of DC DRES Form L-104.

“Representatives” means that party’s affiliates, shareholders, partners, directors, officers, trustees, employees, members, agents and representatives (and any past, present or future board member, partner, trustee, director, member, officer, employee, agent, representative or advisor of any of them).

A

**DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL
SERVICES**

**IN-LEASE
STANDARD CLAUSES AND
PROVISIONS**

RECITALS

A. Pursuant to that certain Exchange Agreement (“**Exchange Agreement**”) between an affiliate of Landlord (“**Purchaser**”) and District, dated as of [_____, 20__], District conveyed the Premises to Landlord (as assignee of Purchaser’s interest under the Exchange Agreement) as of the date hereof.

B. Prior to the date hereof, District has owned and occupied the Premises.

C. District now seeks to lease the Premises from Landlord in accordance with the terms and conditions set forth herein.

1. PREMISES

1.1 District leases the Premises from Landlord for the term and upon the conditions and covenants set forth in this Lease. Landlord and District hereby stipulate to the rentable square footage of the Premises as set forth in Section I on DC DGS Form L-102TIA.

1.2 [Intentionally blank].

1.3 Subject to the terms and conditions of the Lease, Landlord shall deliver to the District, and the District shall accept, the Premises, including the Land and the Building (including the Garage, all Base Building Conditions and all Building Structures and Systems) in their “as-is” condition, with District accepting all defects, if any, and Landlord makes no warranty of

any kind, express or implied, with respect to thereto.

2. PARKING

Landlord and District acknowledge that the Premises include the Garage. District shall be responsible for the operation and management of the Garage. District shall have the right to collect and retain any revenue generated from the operation of the Garage. District agrees that it and its employees shall observe reasonable safety precautions in the use of the Garage. It is understood and agreed that Landlord does not assume any responsibility for any damage or loss to any automobiles parked in any such garage or to any personal property located therein, or for any injury sustained by any person in or about the Garage. District shall provide parking spaces to the residents of the Airspace Parcel as required by the Airspace Lease.

3. USE OF PREMISES

3.1 District shall use and occupy the Premises for general office purposes and uses ancillary thereto, including without limitation any uses of the Premises being made by District as of the date hereof. By executing the Lease, Landlord acknowledges and pre-approves occupancy for such purposes by any District agency, whether currently occupying the Premises or as District may elect during the Lease Term. Substitution of an agency shall not constitute an assignment or sublet or be subject to Landlord’s approval under Section 21 so long as the substituted agency uses the Premises as permitted under the Lease. District shall not use and occupy the Premises for any other uses without the express written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. District shall not use or occupy the Premises for any



unlawful purpose, or in any manner that will violate the certificate of occupancy for the Premises or that will constitute waste, nuisance or unreasonable annoyance to Landlord or adjacent property owners. District shall comply with all applicable Laws, including those concerning the use, occupancy and condition of the Premises and all machinery, equipment, furnishings, fixtures, and improvements therein, all of which shall be complied with in a timely manner at District's sole expense, subject to the requirements of Section 27.1 of this Lease, provided that District shall not be required to construct or alter any Base Building Conditions or Building Structures and Systems (except as set forth in Section 9). If any such Laws require an occupancy or use permit or license for the Premises or the operation of the business conducted therein, then District shall obtain and keep current such permit or license at District's expense, subject to the requirements of Section 27.1 of this Lease, and shall promptly deliver a copy thereof to Landlord. Use of the Premises is subject to all covenants, conditions, easements, encumbrances and restrictions of record (including without limitation the Airspace Lease), and District shall not operate or use the Premises in any manner that might cause a violation of any such covenants, conditions, easements, encumbrances and restrictions. District acknowledges that it has no rights (including any approval or consent rights) with respect to (i) the Airspace Lease, (ii) the Airspace Parcel or (iii) any easements associated with the Airspace Lease or the Airspace Parcel.

3.2 District shall pay, subject to the requirements of Section 27.1 of this Lease, before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed directly upon District due to its use or occupancy of the Premises, the conduct of

District's business at the Premises or District's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then District shall pay the amount of such tax or fee with payment of Annual Rental next becoming due and payable.

3.3 (a) District shall not allow, cause or permit any Hazardous Materials to be generated, used, treated, released, stored, or disposed of in or about the Building or the Land by the District or any District Representative or any contractor, vendor or invitee of the District, provided that the District may use and store normal and reasonable quantities of standard cleaning and office materials as may be reasonably necessary for District to conduct normal operations in the Premises so long as such materials are properly, safely and lawfully stored and used by District and the quantity of same does not equal or exceed a "reportable quantity" as defined in 40 C.F.R. 302 and 305, as amended. At the expiration or earlier termination of this Lease, District shall surrender the Premises to Landlord free of Hazardous Materials introduced by District or any District Representative or any contractor, vendor or invitee of District during the Term.

(b) District shall: (i) give Landlord prompt oral and follow-up written notice of any actual or threatened Environmental Default about which District becomes aware, which Environmental Default District shall promptly cure in accordance with all Environmental Laws and only after District has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; and (ii) promptly deliver to Landlord copies of any notices or

other items received from or submitted to any governmental or quasi-governmental agency, or any claim instituted or threatened by any third party concerning the Premises, the occupancy or use thereof, or the existence or potential existence of Hazardous Materials therein. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or equity, Landlord shall have the right but not the obligation to immediately enter the Premises, to supervise and approve any actions taken by District to address the Environmental Default, and, if District fails promptly to address same in compliance with applicable Laws, to perform, at District's sole cost and expense, subject to the requirements of Section 27.1 of this Lease, any lawful action necessary to address such Environmental Default. Landlord shall be released from all liability for damage or injury to the District resulting from Landlord's entry on the Premises to address an Environmental Default, except for any damages or injury arising from the gross negligence or willful misconduct of Landlord.

4. Intentionally Deleted

5. TERM

All of the provisions of this Lease shall be in full force and effect from and after the Lease Commencement Date.

6. EXTENSION OPTIONS

Landlord and District acknowledge that the District has no option or right to renew or extend the Term upon the expiration thereof.

7. RENT, OPERATING COSTS, AND REAL ESTATE TAXES

7.1 District shall pay to Landlord Annual Rental for the Premises during the Lease Term payable in equal monthly installments in arrears. Annual Rental shall be paid to Landlord by District on or before the fifth day of the calendar month following the month in which such Annual Rental accrued. Annual Rental is the amount set forth in Section II(8)(a) on DC DGS FORM L-102TIA. District shall pay to Landlord all Additional Rent when such Additional Rent is due pursuant to the terms of this Lease. Payment of Annual Rent and Additional Rent by the District shall remain subject to the requirements of Section 27.1 of this Lease.

7.2 If the Lease Commencement Date is not the first day of a month, then the Annual Rental from the Lease Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Annual Rental payable during the first Lease Year, and District shall pay such prorated installment of the Annual Rental in accordance with Section 7.1 hereof. If the Lease Term expires on a day other than the last day of a month, then District's liabilities pursuant to this Section for such calendar month shall be apportioned accordingly.

7.3 District shall pay Rent to Landlord, at Landlord Payment Address, or to such other place or to such other agent as Landlord may from time to time designate in writing, by good check or other funds approved by Landlord from time to time, without setoff, deduction or demand. Landlord's acceptance of Rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights hereunder. If District fails to pay any installment of Rent on or before ten (10) calendar days after the date when

such installment becomes due and payable, District shall pay to Landlord, subject to the requirements of Section 27.1 of this Lease, a late charge of five percent (5%) of the amount of such installment, and, in addition, such unpaid installment shall bear interest at the Default Rate from the date such installment became due and payable to the date of payment thereof by District; provided, however, that nothing herein contained shall be construed or implemented in such a manner as to allow Landlord to charge or receive interest in excess of the maximum legal rate then allowed by law. Such late charge and interest shall constitute Additional Rent hereunder due and payable with the next monthly installment of Annual Rental due.

7.4 Operating Costs.
Commencing on the Lease Commencement Date and continuing thereafter for the Lease Term, District shall pay all Operating Costs directly to the applicable contractors, vendors, utility companies and service providers. Landlord shall have no obligation to pay any Operating Costs during the Lease Term.

7.5 Real Estate Taxes.
(a) Commencing on the Lease Commencement Date and continuing thereafter for the Lease Term, District shall reimburse Landlord for all Real Estate Taxes in accordance with this Section 7.5.

(b) For the purposes of this Section 7, the term "Premises" shall be deemed to include, without limitation, the Building, Land, the roof of the Building and any extensions therefrom, and, to the extent that such elements exist, any balconies extending from the Building, any driveways, sidewalks and parking garage facilities servicing the Building and all other areas,

facilities, improvements and appurtenances relating to any of the foregoing.

(c) "Real Estate Taxes" shall include (1) all real estate taxes, vault space rentals, rates and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, that are imposed upon Landlord in connection with the Premises, or assessed against the Premises or Landlord's personal property used in connection therewith, and (2) any other present or future taxes or charges that are imposed upon Landlord in connection with the Premises or assessed against the Premises that are in the nature of or in substitution for real estate taxes, and (3) any tax levied on or measured by the gross rents payable by tenants of the Premises; any public safety fee or similar charge; any transit, sales, rental, use, receipts, franchise taxes computed on the basis of gross receipts, or occupancy tax or fee; ballpark fees (to the extent assessed against real property) and any assessment imposed in connection with business improvement or similar districts. Real Estate Taxes shall also include any reasonable costs incurred by Landlord to challenge the tax valuation of the Premises. Real Estate Taxes shall not include any fines, penalties and interest on late payments of any Real Estate Taxes, except to the extent caused solely by District's failure to pay its share of Real Estate Taxes. Real Estate Taxes shall not include capital gains, corporation, unincorporated business, net income, profits, excess profit, estate, inheritance, transfer, recordation, gift or franchise taxes, or license fees; any hotel or business entity fees (unless such taxes or fees replace or supplement the current system of real property taxes in effect as of the date hereof).

(d) Within approximately one hundred twenty (120) days after the end of

each Lease Year, or calendar year if so specified in Item III(19) on DC DGS Form L-102TIA, or as soon thereafter as is feasible but no later than one hundred eighty (180) days after the end of such year, Landlord shall submit a statement (the “**Real Estate Taxes Expense Statement**”) showing the actual Real Estate Taxes paid by Landlord during the preceding Lease Year (or calendar year, as applicable). District shall pay such amount with the next monthly payment of Annual Rental due on or after the date that is thirty (30) days following receipt of the Real Estate Taxes Expense Statement.

(e) District shall not initiate or participate in any contest of Real Estate Taxes without Landlord’s prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed. If District shall have paid an amount of Real Estate Taxes and Landlord thereafter receives a refund of such Real Estate Taxes or a credit against future Real Estate Taxes, District shall receive a proportionate credit (after all reasonable costs of obtaining such refund have been deducted) toward the next installment(s) of Real Estate Taxes due under this Lease. If the Lease shall have expired or is otherwise terminated, Landlord shall refund any such net credit due District, after first deducting the amount of any unpaid Rent hereunder, within thirty (30) days thereafter. Landlord shall pay any special assessment in the maximum number of installments permitted by the applicable taxing authority without requiring payment of interest or penalty, and Real Estate Taxes for any Lease Year shall include only the amount of such installments paid (or deemed paid) to the taxing authority on the unpaid balance of the assessment for each Lease Year.

(f) District shall have the audit rights set forth herein with respect to the

Real Estate Taxes Expense Statement. If District reasonably believes that any Real Estate Taxes Expense Statement includes charges that are not permitted pursuant to this Lease or contains an error, in calculation or otherwise, then, within one hundred eighty (180) days after receipt by District of such Real Estate Taxes Expense Statement, District may provide Landlord with a reasonably detailed and written notice of its objections to or inquiries about such Real Estate Taxes Expense Statement charges. If Landlord is unable to satisfy District’s inquiries or if Landlord and District are unable to resolve District’s objections and agree upon the Real Estate Taxes Expense Statement in question within thirty (30) days after Landlord’s receipt of District’s notice, District shall have the right, to be exercised within ninety (90) days after the expiration of such thirty (30)-day period, to inspect or audit Landlord’s books and records relating to the calculation of Real Estate Taxes (provided the person working for District so inspecting and/or auditing shall have a financial educational and employment background) or employ an independent certified public accountant with no less than five (5) years of experience auditing similar buildings in Washington, D.C. and employed by District on an hourly basis (and not on a contingent fee basis) to inspect or audit Landlord’s books and records relating to the calculation of Real Estate Taxes. District shall conclude such inspection or audit within a reasonable time but not longer than one hundred eighty (180) days after District has notified Landlord of its exercise of this right, subject to extension for Landlord’s failure to promptly make its relevant books and records available for such District audit. If District so elects to inspect or audit or employ such accountant, District shall provide not less than ten (10) days’ notice to Landlord of the date on which the District or accountant desires to



examine Landlord's books and records, and Landlord shall make the relevant books and records available to District or to such accountant, at Landlord's office during regular business hours. District or District's accountant shall deliver a written report of any such audit to Landlord within thirty (30) days after the conclusion of the examination and Landlord's accountants and District's accountants (or Landlord and District, as the case may be) shall attempt to reconcile their differences within thirty (30) days thereafter and shall provide notice of such reconciliation to Landlord and District (or to each other). If Landlord's accountant and District's accountant are unable to reconcile their differences within such thirty (30) day period, Landlord and District shall resolve the dispute in the manner provided in D.C. Official Code [_____]. Upon final determination thereof, if it is determined that the amounts paid by District to Landlord in accordance with the Real Estate Taxes Expense Statement exceeded the amounts to which Landlord was entitled hereunder, Landlord shall credit the amount of such excess payments against payments of Real Estate Taxes next becoming due and payable under this Lease after the date Landlord receives notice of final determination of the error; provided, however, that if the Lease Term shall have expired or been terminated, Landlord shall refund such excess to District within thirty (30) days of the final determination of the amount due. If it is determined that the amounts paid by District to Landlord for Real Estate Taxes in accordance with the Real Estate Taxes Expense Statement were less than the amounts to which Landlord was entitled hereunder, District shall pay the amount of such shortfall as Additional Rent during the Lease Year then in effect to Landlord within thirty (30) days after its receipt of the final determination. All costs and expenses of any such District audit shall be paid by

District, except if such determination (made pursuant to the procedures set forth above) discloses that the total amount paid by District for the applicable Lease Year in accordance with the Real Estate Taxes Expense Statement exceeded the total amount to which Landlord was entitled by more than five percent (5%), Landlord shall reimburse District within thirty (30) days for the reasonable out-of-pocket costs and expenses incurred by District for such audit, which in no event shall exceed the amount of District's excess payments of Real Estate Taxes for the applicable Lease Year. Any provision hereof to the contrary notwithstanding, in the event a District audit conducted pursuant to the provisions of this Section 7.5(f) indicates that District owes Landlord an amount in excess of what was indicated in Real Estate Taxes Expense Statement, then District shall pay the amount of such excess to Landlord as Additional Rent with the next installment of Annual Rental due hereunder. Notwithstanding further anything herein to the contrary, if District does not notify Landlord in writing of any objection to an annual Real Estate Taxes Expense Statement within one hundred eighty (180) days after receipt thereof, then District shall be deemed to have waived any such objection and shall have no right to audit such statement pursuant to this Section 7.5(f), provided, however, that no such waiver shall limit any statutory rights relating to the False Claims Provisions or any cause of action or investigation conducted pursuant thereto.

8. ALTERATIONS

8.1 Except as provided herein, during the Lease Term, District may make Alterations to the Premises without the consent or approval of Landlord. Notwithstanding the forgoing, District shall not make or permit anyone to make Alterations to the Base Building Conditions,

Am

Building Structures and Systems, the Building exterior or the Land without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. All Alterations commenced at the election of the District shall be constructed at District's sole expense, in compliance with applicable Laws and lien free. Prior to commencing any alterations or improvements or promptly upon completion thereof, District shall provide to Landlord, as reasonably requested by Landlord, lien waivers in a form reasonably acceptable to Landlord from all contractors and subcontractors. District shall not permit any mechanic's lien to be filed against the Premises or any part thereof, for work claimed to have been done for or materials claimed to have been furnished to District. Landlord shall not be liable for any and all claims, losses, expenses, and damages resulting from or arising out of any Alterations by District.

8.2 If any Alterations are made without the prior written consent of Landlord in violation of Section 8.1 above, Landlord shall have the right to require District to restore the Premises to their condition immediately prior thereto at the District's sole cost and expense. All Alterations to the Premises or the Building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term, except that District shall be required to remove any Alterations that Landlord requires District to remove as a condition of its consent to the installation of such Alterations under Section 8.1; provided, however, District shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture (including systems furniture),

furnishings and equipment installed in the Premises solely at the expense of District

9. MAINTENANCE AND REPAIRS

9.1 Other than elements of the Base Building Conditions within the Premises, District, at District's sole cost and expense, subject to the limitations of Section 27.1 of this Lease, shall make all repairs, perform all maintenance, and make all replacements in and to the Premises that District determines in its reasonable discretion are necessary or desirable to keep the Premises in good condition and repair and in a clean, safe and tenantable condition. For the avoidance of doubt, Landlord shall not be responsible for any repairs, maintenance or replacements with respect to the Premises.

9.2 Except as otherwise provided in Section 16, Landlord shall have no obligation or liability with respect to any injury, breakage and damage to the Premises (including all Base Building Conditions and Building Structures and Systems) during the Term from any cause whatsoever other than the gross negligence or willful misconduct of Landlord. The District may repair any such injury, breakage or damage at District's expense, provided that repairs to Base Building Conditions, Building Structures and Systems, the Building Exterior and the Land shall be subject to Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed. The District shall give Landlord prompt written notice of any defects or damage to the structure of, or equipment or fixtures in the Premises or any part thereof.

9.3 Intentionally Omitted.

9.4 District shall ensure that the Premises will be managed, operated and maintained in accordance with comparable

standards of quality followed in comparable class facilities in Washington, D.C. and in full compliance with all applicable Laws (including, but not limited to, codes for electrical, mechanical, plumbing, fire and fire safety). For the avoidance of doubt, Landlord shall not be responsible for any repairs, maintenance or replacements required to maintain compliance with Laws.

9.5 Except as set forth in Section 9.2 and in the final sentence of this Section 9.5, neither Landlord nor District shall have any obligation to maintain, repair and/or replace any Base Building Conditions or Building Structures and Systems or make any other capital repairs or replacements to the Premises (including any maintenance, repair or replacement required to maintain compliance with Laws). If District desires to undertake any such maintenance, repairs or replacements, it may do so, at its sole cost and expense, but subject to Landlord's prior consent. If Landlord desires to undertake any such maintenance, repairs or replacements, it may do so, at its sole cost and expense, provided that such undertakings by Landlord shall not unreasonably interfere with District's use and occupancy of the Premises. Notwithstanding the foregoing, if any applicable governmental agency notifies Landlord or District that any condition of the Premises, caused solely by District before or after the Effective Date of this Lease, violates any Laws so as to require any capital improvements thereto, District shall take such action, at its sole cost and expense and subject to Section 27.1 of this Lease, as is necessary to comply with such governmental agency's directive or otherwise alleviate such governmental agency's concerns (subject in all events to Landlord's prior approval). For the avoidance of doubt, Landlord shall not be responsible for any repairs, maintenance or

replacements required to maintain compliance with Laws.

10. SIGNS

District shall be responsible, at its sole cost and expense, for all suite entry signage. District shall also be entitled to use of the Building directory, and the directory and the listings thereon shall be provided by the District. Excepting signage installed by Landlord, District shall be responsible for the maintenance, repair and replacement of all exterior mounted building signage at its sole cost and expense. Any new or altered exterior signage of the District shall be subject to Landlord's prior approval. Landlord shall have the right to install additional exterior signage of a type and scale typically found on downtown Washington, D.C. office buildings or development projects upon prior written notice to the District and subject to all applicable legal requirements for signage, provided that Landlord shall be responsible for the maintenance, repair and replacement of all such signage at its sole cost and expense.

11. SERVICES AND UTILITIES

The District shall be responsible, at its sole cost and expense, subject to Section 27.1 of this Lease, for (i) the management of the Premises in accordance with comparable buildings in the metropolitan Washington, D.C. area, (ii) the provision of all utilities to Premises, including without limitation electricity, water, sewage and gas and (iii) the provision of all services to the Premises, including without limitation all janitor and cleaning services, trash removal, snow removal, pest control, HVAC (including repair and maintenance), lighting (including bulb replacement), security (including all personnel, security systems and access

control systems), fire protection systems and other life safety systems, garage operations and management, elevator service (including repair and maintenance), telecommunications systems and services (including all installation and cabling services) and landscaping services, all of which services provided by District shall be provided in accordance with comparable buildings in the metropolitan Washington, D.C. area. For the avoidance of doubt, Landlord shall have no obligation to provide any services or utilities to District or the Premises.

12. INTERRUPTION OF SERVICES.

District agrees that Landlord shall not be liable, by abatement of Rent or otherwise, for any interruption of any service, failure to furnish any service, delay in furnishing any service, or surge or diminution thereof.

13. INSPECTION

13.1 Subject to District's reasonable security requirements and upon reasonable prior notice, District shall permit Landlord, its agents and representatives, and the holder of any mortgage, to enter the Premises without charge therefor and without diminution of the rent payable by District in order to examine, inspect or protect the Premises; to make such alterations and/or repairs to the Base Building Conditions and Building Structures and Systems as in the judgment of Landlord may be deemed necessary or desirable; or to exhibit the same to brokers, prospective tenants, lenders, investors and purchasers. Landlord shall endeavor to minimize disruption to District's normal business operations in the Premises in connection with any such entry. In no event may Landlord interrupt, delay or disrupt any normal business operations without

reasonable, prior notice to District of its intent to do so.

14. INSURANCE

14.1 Landlord shall carry and maintain all-risk property insurance (with 100% replacement cost coverage with an agreed amount endorsement) covering the Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Such insurance shall name the District as an additional named insured and include extended coverage, agreed amount and other endorsements of the kinds normally required by institutional lenders and that permit insurance proceeds to be used by Landlord or District for the repair and restoration of the Building. Landlord also agrees to carry and maintain commercial general liability insurance. Such insurance shall also include the District as an additional named insured and include public liability and broad form property damage, with a minimum combined single limit of liability in the amount of \$1,000,000 for personal injuries or deaths of persons occurring in or about the Building. Landlord may elect to carry such other additional insurance or higher limits as it reasonably deems appropriate. District acknowledges that Landlord shall not carry insurance on, and, except to the extent resulting from the gross negligence or willful misconduct of Landlord, shall not be responsible for damage to, personal property or District's improvements to the Premises which do not constitute Base Building Conditions and that Landlord shall not carry insurance against, or be responsible for any loss suffered by District due to interruption of District's business.

14.2 Landlord acknowledges that District is a self-insurer and does not maintain policies of contractual and general

liability insurance. Subject to the limitations of Section 27.1 of this Lease, District shall be liable for its own acts, omissions, negligence and willful misconduct and the acts, omissions, negligence and willful misconduct of the District or any District Representative or any contractor, vendor or invitee of the District.

14.3 Except to the extent arising from the negligence or willful misconduct of District or any District Representative or any contractor or vendor of District or any invitee of District, Landlord hereby indemnifies and agrees to defend and hold the District harmless from claims for personal injury, death or property damage to the extent caused by the negligence or willful misconduct of Landlord, Landlord's Representatives, and Landlords' contractors or invitees.

14.4 Landlord shall deliver to District, ten (10) days prior to the Lease Commencement Date and periodically thereafter during the Lease Term, certificates issued by each carrier furnishing a policy of insurance hereunder showing that the coverages required hereunder are in force with premiums paid and that such policies are noncancellable and may not be materially modified except upon thirty (30) days prior notice to District. All insurance required hereunder shall be purchased from carriers authorized to do business in the District of Columbia and possessing an A- or better policyholders' rating and a minimum Class VIII financial size category as listed at the time of issuance by A.M. Best Insurance Reports or a similar rating publication.

14.5 All insurance policies against loss or damage to property and business interruption or rent loss shall be endorsed to provide that any release from liability of, or waiver of claim for recovery from, another

person entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of such policy or the right of the insured to recover thereunder. Such policies shall also provide that the insurer waives all rights of subrogation that such insurer might have against such other person. Landlord and District hereby waive all claims for recovery from or against the other for any loss or damage to any of its property or damages as a result of business interruption or rent loss insured under a valid policy to the extent of any recovery collected under such policies.

14.6 Throughout the Lease Term, the costs of the insurance coverage required by this Section 14 ("**Insurance Costs**") shall be paid by the District as Additional Rent to Landlord within thirty (30) days of the District's receipt of a copy of the paid invoice(s) therefor.

15. LIABILITY OF LANDLORD AND TENANT

15.1 Except as otherwise expressly provided in this Lease, Landlord and Landlord's Representatives shall not be liable to District or District's Agents for any damage, injury, loss or claim based on or arising out of any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other person or entity; or failure or inability to furnish any service specified in this Lease, unless such liability arises from the gross negligence or willful misconduct of Landlord or Landlord's Representatives.

15.2 The District and District's Agents shall not be liable to Landlord or Landlord's Representatives, for any damage, injury, loss or claim based on or arising out of any cause whatsoever to the extent such damage, injury, loss or claim is (i) covered by Landlord's insurance or would be

covered by Landlord's insurance if such insurance was maintained in accordance with the requirements of this Lease; or (ii) is due to Landlord's gross negligence or willful misconduct. Under no circumstance shall District or Landlord (or their respective Agents or Representatives) be liable to the other for any exemplary, punitive, consequential or indirect damages in connection with, arising under or relating to this Lease, provided, however, that this limitation shall not apply with regard to any claim arising under the False Claims Provisions.

15.3 Subject to the False Claims Provisions, no landlord hereunder shall be liable for any obligation or liability based on or arising out of any event or condition occurring either prior to or after the period that such landlord held an ownership interest in the Premises. Notwithstanding the foregoing, any landlord during its period of ownership interest shall be obligated to cure any non-monetary Event of Default continuing at the time such landlord obtained its ownership interest in the Premises.

16. DAMAGE OR DESTRUCTION

If the Premises are totally or partially damaged or destroyed, then both District and Landlord (i) shall have the right, but not the obligation, to repair and restore the Premises and (ii) may make use of available insurance proceeds in doing so. Notwithstanding the foregoing, if in either party's reasonable judgment the repair or restoration following a casualty cannot be completed within one hundred eighty (180) days after the date of the damage or destruction (taking into account the time needed for effecting a satisfactory settlement with an insurance company, removal of debris, preparation of plans and issuance of all governmental permits), then such party

shall have the right to cancel this Lease on ninety (90) days prior written notice to Landlord given within thirty (30) days following any such casualty. Except as set forth in the immediately preceding sentence, neither Landlord nor District shall have the right to cancel this Lease following any casualty. In no event shall there be any abatement of Rent as a result of any casualty, provided that the District's obligation to pay Rent shall terminate concurrently with any termination of the Lease in accordance with this Paragraph. Notwithstanding anything to the contrary contained herein, if District continues to occupy the Premises or a portion thereof following the partial damage or destruction of the Premises, and a governmental entity requires any repair or restoration of the Premises to accommodate such occupancy, then District shall be obligated to perform such repair or restoration only to the extent that insurance proceeds are available to do so. If the Premises or any part thereof shall be damaged or destroyed, District shall provide prompt notice thereof to Landlord. In the event District undertakes any repairs or restoration pursuant to this Section 16, Landlord shall advance available insurance proceeds to District as such repairs and restoration are completed in accordance with normal and customary conditions for construction progress payments, including without limitation the receipt by Landlord of invoices, payment applications and lien waivers from contractors. For the avoidance of doubt, in no event shall Landlord be obligated to perform, or be liable for the costs of performing, any repairs or restorations following any casualty.

17. CONDEMNATION

17.1 If all of the Premises, or the use or occupancy thereof, shall be taken or condemned by any governmental or quasi-governmental authority for any public or

quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the day prior to the date title thereto vests in such authority and rent shall be apportioned as of such date. If less than all of the Premises or occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not so condemned; provided, however, that if a partial condemnation, in the District's reasonable determination, renders the Premises inaccessible or the majority thereof unusable for the normal conduct of District's operations then conducted on the Premises, the District shall have the right to cancel this Lease on ninety (90) days prior written notice to Landlord given within thirty (30) days following the partial condemnation. Following a partial condemnation, as of the date title vests in the condemning authority, District shall not be required to pay Annual Rental with respect to the part of the Premises so condemned.

17.2 Landlord reserves all rights to any award paid because of any taking of the Premises. District assigns to Landlord any right District may have to such award. Further, District shall make no claims against Landlord or the condemning authority for damages. Notwithstanding the foregoing, the District may claim and recover from the condemning authority a separate award for the District's moving expenses, business dislocation damages, the District's personal property and fixtures, or the unamortized costs of leasehold improvements paid for by District. Each party shall seek its own award, as limited above, at its own expense.

18. DEFAULT

18.1 District Default.

(a) It shall be a District default ("**District Default**") hereunder if District fails to (i) pay Rent or any other amount owed hereunder within ten (10) business days after the date the District receives written notice thereof from Landlord stating that any such amount is past due or (ii) perform or observe any non-monetary obligation of the District under this Lease within thirty (30) days after the date the District receives written notice from Landlord setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision requiring such obligation to be performed, or within such longer period of time as may be necessary for such cure so long as the District shall promptly commence and thereafter diligently prosecute to completion the curing thereof but no later than one hundred twenty (120) days from the date of the notice, (iii) any sublease or assignment not permitted by Section 21 shall occur, or (iv) District abandons the Premises. It is specifically understood and agreed that a failure to obtain appropriated funds in accordance with Section 27.1 shall not constitute a District Default .

(b) Upon the occurrence of a District Default, Landlord may seek: (i) in the case of a monetary District Default all remedies available to it under the Quick Payment Act, D.C. Code § 2-221.01 *et seq*, and otherwise at law and equity, including termination and possession; or (ii) in the case of any other District Default, all remedies available at law and equity. In accordance with Section 27.1, any deficiency in Annual Rental shall not exceed the amount of funds actually appropriated and lawfully available at the time of the occurrence of a District Default.

(c) If Landlord shall institute proceedings against District and a compromise or settlement with respect to the

subject of such proceedings shall be made, then such compromise or settlement shall not constitute a waiver of any other covenant, condition or agreement set forth herein, nor of any of Landlord's rights hereunder, unless expressly agreed by Landlord and District. Neither the payment by District of a lesser amount than the amount of Rent due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by District, Landlord may apply any payment received from District to any payment then due. No re-entry by Landlord, and no acceptance by Landlord of keys from District, shall be considered an acceptance of a surrender of this Lease.

18.2 Landlord Default.

(a) It shall be a Landlord default ("**Landlord Default**") hereunder if Landlord fails to perform or observe any of its obligations under this Lease after a period of thirty (30) days from the date Landlord receives written notice thereof from District setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision requiring such obligation to be performed; provided, however, that Landlord shall not have committed a Landlord Default if such failure is of a type and nature that cannot reasonably be cured within such thirty (30) day period, so long as Landlord promptly commences the curing of such failure within such thirty (30) day period and thereafter diligently prosecutes to completion the curing of such failure but no later than one

hundred twenty (120) days from the date of the notice.

(b) Upon the occurrence of a Landlord Default, the District, subject to the terms of this Lease, may pursue any remedies available to it at law or equity upon thirty (30) days' prior notice to Landlord.

(c) Neither the availability of insurance proceeds under Section 14 nor any provision in Section 23 shall be interpreted to deprive District of its right to be awarded specific performance or an injunction in an action brought to enforce any of its rights under this Lease. Furthermore, nothing in Section 14 shall be interpreted as limiting any remedy District may have pursuant to the False Claim Provisions, as the District is not authorized to limit such authority or remedy.

19. SUBORDINATION

19.1 This Lease shall be subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments that may now or hereafter encumber the Premises (collectively, "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof, provided that any subordination to any future or present Mortgage is conditioned upon receipt and execution by District of a commercially reasonable subordination, non-disturbance and attornment agreement ("SNDA") in accordance with Section 19.3.

19.2 Within thirty (30) business days after Landlord receives written notice that District has executed this Lease, Landlord shall deliver to District an SNDA form from Landlord's primary mortgagee



substantially in the form attached hereto as Exhibit A, subject to commercially reasonable changes required by Landlord's mortgagee.

19.3 Within thirty (30) business days after District receives Landlord's form of SNDA, as aforesaid, District shall deliver to Landlord the executed SNDA, which shall not modify or change the terms of this Lease. With regard to an SNDA with any future mortgagee, District shall execute an SNDA in substantially the form attached hereto as Exhibit A (subject to commercially reasonable changes required by such future mortgagee), provided that such SNDA shall not modify or change the terms of this Lease and any future mortgagee agrees that, so long as District is not in default under this Lease, District's leasehold estate, use, possession, tenancy, rights, options, and occupancy under the Lease shall remain undisturbed and shall survive foreclosure or similar action.

20. ESTOPPEL CERTIFICATE

Within thirty (30) business days' of receipt of Landlord's written request, District and each subtenant, assignee, or licensee of District shall execute and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement ("**Certificate**") certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) whether or not, to District's actual knowledge, Landlord is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices to District are to be sent; (e) that District has accepted the Premises and that all work thereto (if any)

has been completed (or if such work has not been completed, specifying the incomplete work); (f) that statements contained in the Certificate are based solely upon a reasonably diligent review of the District's Lease file as of the date of the issuance of the Certificate; (g) that Landlord, and/or such other person or entity designated by Landlord to receive the Certificate, are deemed to have constructive notice of such facts as would be reasonably ascertainable by an inspection of the Premises or by reasonable inquiry to appropriate District officials; (h) that the Certificate shall not be deemed to be a representation or warranty by the District that the Premises comply with any Laws or of the condition of, or the absence of, any defects in the Premises (or any portion thereof; and (i) such other factual matters as Landlord may reasonably request, in all cases substantially in the form of DC DGS Form A-102.

21. ASSIGNMENT AND SUBLETTING

21.1 District shall not assign, transfer or otherwise encumber (collectively, "**assign**") this Lease or all or any of District's rights hereunder or interest herein, or sublet or permit anyone to use or occupy (collectively, "**sublet**") the Premises or any part thereof, without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed in the case of a sublease. No assignment or right of occupancy hereunder may be effectuated by operation of law or otherwise without the prior written consent of Landlord. Provided, however, that it is specifically understood and agreed that District's substitution of another agency pursuant to Section 3.1 shall not constitute an assignment or subletting under this Section.

21.2 District shall deliver to Landlord a fully-executed copy of each agreement evidencing a sublease, assignment or mortgage, and Landlord's consent thereto, within ten (10) days after execution thereof.

21.3 All restrictions and obligations imposed pursuant to this Lease on District shall be deemed to extend to any subtenant, assignee, licensee, or transferee, and District shall cause such person to comply with such restrictions and obligations. Any assignee shall be deemed to have assumed obligations as if such assignee had originally executed this Lease and at Landlord's request shall execute promptly a document confirming such assumption. Notwithstanding the foregoing, the provisions set forth in Section 27 shall not apply to the extent an assignee is not subject to the provisions set forth therein. In the event of any assignment whereby District would be released from further liability under this Lease, before Landlord gives its consent thereto, Landlord shall have the right to obtain and review pertinent financial and business records of the proposed assignee to determine whether to accept the liability of the proposed assignee in lieu of the District. In the event Landlord determines, in its sole discretion, not to consent to such assignment and District approves cancellation of the Lease, Landlord shall have the option to cancel this Lease and take back the Premises from District thereby releasing District from any liability hereunder arising after the date of such cancellation. Upon execution of an assignment by assignee after Landlord's consent of the assignment, District shall be released from and have no further responsibility with respect to any and all obligations, duties and responsibilities to perform under the Lease with respect to the period following the assignment. Each sublease is subject to the condition (which

condition District shall cause to be included in all subleases, including those listed on Exhibit B hereto, and which condition the District shall be responsible for enforcing) that if the Lease Term expires or is terminated or Landlord succeeds to District's interest in the Premises by voluntary surrender or otherwise, at Landlord's option (exercised in its sole discretion) (i) the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then executory terms of such sublease or (ii) the sublease shall terminate.

21.4 Any rent and other consideration accruing to District as the result of any sublease or any assignment of this Lease, which is in excess of the pro rata share of Annual Rental then being paid by District for all or a portion of the Premises being sublet or assigned, shall be District's profit to keep and shall not be paid to Landlord.

21.5 Notwithstanding anything to the contrary contained herein, Landlord hereby approves the subleases listed on Exhibit B attached hereto, true and correct copies of which have been provided to Landlord by District. Said subleases shall be subject to the provisions of this Section 21, including without limitation the final sentence of Section 21.3.

22. HOLDING OVER

If District (or anyone claiming through District, including without limitation any subtenant) does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Lease Term, time being of the essence, then the Annual Rental payable by District hereunder shall be increased to one hundred fifty percent (150%) of the



Annual Rental payable by District during the month immediately preceding such holdover period. The increased Annual Rental shall apply to each month or partial month during the holdover period. Such Annual Rental shall be computed by Landlord and paid by District on a monthly basis in arrears and shall be payable on the first day of the second month of such holdover period and the first day of each calendar month in arrears thereafter during such holdover period until the Premises have been vacated. District's obligations during any such holdover period shall remain subject to the limitations set forth in Section 27.1 and any limitations imposed pursuant to D.C. Official Code § 1-204.51 and all other applicable Laws. Notwithstanding the foregoing provisions of this Section 22, in the event that District shall hold over after the expiration of the Lease Term, such holding over shall be a District Default, and Landlord may exercise any and all other rights and remedies available to Landlord under this Lease, at law or in equity.

23. COVENANTS OF LANDLORD

23.1 Landlord represents and warrants that it has the right and authority to enter into this Lease and perform all obligations of Landlord hereunder. Landlord further covenants that, subject to the provisions of this Lease, District shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance by Landlord or Landlord's Agents.

23.2 Intentionally Omitted

24. BROKERS, AGENTS

24.1 District acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the

Premises except as herein expressly set forth, and no right, privilege, easement or license is being acquired by District except as herein expressly set forth.

24.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and District other than that of landlord and tenant.

24.3 District and Landlord each warrants and represents that it has not procured the services of any broker for brokerage services related to the procuring of this Lease.

25. GENERAL PROVISIONS

25.1 Waiver of Jury Trial. LANDLORD AND DISTRICT EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND DISTRICT HEREUNDER, DISTRICT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE. LANDLORD AND DISTRICT EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

25.2 Service of Notices. All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when



delivered in person (with receipt therefor), on the next business day after deposit with an established, overnight delivery service, or on the third (3rd) business day after being sent by certified or registered mail, return receipt requested, postage prepaid. Landlord's and District's initial address for sending notices hereunder are set forth in Sections 4(a) and 4(b) on DC DGS Form L-100. Any notice asserting a District Default shall be copied to the Office of the Attorney General for the District of Columbia as set forth in Section 4(b) on DC DGS Form L-100. Either party may change its address for the giving of notices by notice given in accordance with this Section.

25.3 Severability. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by Laws. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Lease shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate allowed by Laws.

25.4 Pronouns. Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.

25.5 Headings. Headings are used for convenience and shall not be considered when construing this Lease.

25.6 Successors. The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting.

25.7 Integration. This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease includes and incorporates all schedules, forms, exhibits, or other documents specified in Section 3 on DC DGS Form L-100. Notwithstanding anything to the contrary in this Section, any provisions of the Exchange Agreement that survive closing thereunder and the provisions of all other documents executed by Landlord and District at or following closing under the Exchange Agreement shall remain in full force and effect to the extent set forth in the Exchange Agreement or such other documents, as applicable.

25.8 Governing Law. This Lease shall be governed by the laws of the District of Columbia, without regard to the application of choice of law principles. There shall be no presumption that this Lease be construed more strictly against the party who itself or through its agent prepared it (it being agreed that all parties hereto have participated in the preparation of this Lease and that each party had the opportunity to consult legal counsel before the execution of this Lease). No custom or practice that may evolve between the parties in the administration of the terms of this Lease shall be construed to waive either



party's right to insist on the other party's strict performance of the terms of this Lease.

25.9 Amendments. This Lease may be modified or changed in any manner only by an instrument signed by both parties and approved for legal sufficiency by the Office of the Attorney General for the District of Columbia.

25.10 Time is of the Essence. Time is of the essence with respect to each of District's and Landlord's obligations hereunder.

25.11 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document.

25.12 No Recordation. Neither this Lease nor a memorandum thereof shall be recorded.

25.13 Federally Prohibited Persons. Neither Landlord nor any person owning any interest in Landlord has engaged in any dealings or transactions (i) in contravention of the applicable money laundering laws or regulations or conventions of the United States or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time-to-time or any published terrorist or watch list that may exist from time-to-time. Neither Landlord nor any person owning any interest in Landlord: (a) is or will be conducting any business or engaging in any transaction with any person appearing on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control list located at 31

C.F.R., Chapter V, Appendix A, or (b) is a person described in Section 1 of the Anti-Terrorism Order.

25.14 Survival. Subject to applicable Laws (including the limitations set forth in Section 27.1), District's liabilities and obligations with respect to the period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

25.15 Force Majeure. Unless specifically provided otherwise, if Landlord or District is in any way delayed or prevented from performing any of its obligations under this Lease (other than payment obligations) due to a Force Majeure Event, then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay, interruption or prevention. The foregoing shall not serve to excuse District's payment of Rent when due under this Lease.

25.16 Review. A Party's review, approval and consent powers (including the right to review plans and specifications), if any, are for such Party's benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety, or any other matter.

25.17 Meaning of Deleted Text. The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

25.18 Delivery of Keys upon Termination. At the expiration or earlier termination of the Lease Term, District shall



deliver to Landlord all keys and security cards to the Premises, whether such keys were furnished by Landlord or otherwise procured by District, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

25.19 Intentionally Omitted.

26. ASBESTOS CERTIFICATION.

26.1 Certification. District acknowledges that Landlord is making no representation or warranty regarding the presence of asbestos at the Premises. If any asbestos inspection is conducted by District or Landlord, the conducting party shall furnish a copy thereof to the other party within ten (10) days following receipt of the inspection report. The D.C. Office of Occupational Safety and Health is authorized to conduct a visual inspection of the Premises at any time after the date hereof and during the Term.

26.2 Inspection and Abatement. Upon discovery by Landlord or District or upon notice to Landlord or District by any person of the presence of suspected asbestos containing materials in the Building in violation of any applicable Laws, District shall promptly, at its sole cost, have the relevant portion of the Building inspected by a firm licensed to perform asbestos inspections. Promptly after receipt by District of the written report of such finding, District shall deliver to Landlord a copy thereof. District, at its sole cost and expense, subject to the limitations of Section 27.1 of this Lease, and without any abatement of rent or other cost or expense to Landlord, shall cause any asbestos containing materials placed on the Premises by District before or after the Lease Commencement Date, noted in such report, to be removed, contained or otherwise brought into compliance with all applicable

Laws. Prior to commencement of any abatement action, District shall consult with Landlord and receive approval of Landlord. If District fails promptly to commence and diligently pursue removal, containment or other compliance procedures with respect to the asbestos containing materials after notice to Landlord of the same, Landlord, after giving District five (5) days' notice, may perform such work at District's expense, which expense, in a reasonable amount, shall be reimbursed to Landlord within thirty (30) days after receipt of an invoice therefor.

26.3 Insurance. Provided such coverage is available at commercially reasonable rates (as determined in Landlord's reasonable discretion), at all times during the Lease Term, Landlord agrees to maintain, and furnish to District evidence of liability insurance coverage as prescribed in Section 14 of this Lease without any provision or endorsement excluding coverage for asbestos-related conditions.

27. SPECIFIC DISTRICT OF COLUMBIA LAWS

27.1 ANTI-DEFICIENCY LIMITATIONS. The following limitations exist as to each and every purported obligation of District set forth in this Lease, whether or not expressly conditioned:

(a) The obligations of the District to fulfill financial obligations pursuant to this Lease or any subsequent agreement entered into pursuant to this Lease or referenced herein (to which the District is a party) are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 and 1511-1519 (2004) (the "Federal ADA"), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act,



D.C. Official Code §§ 47-355.01 – 355.08 (2004 Supp.) (the “D.C. ADA” and (i) and (ii) collectively, as amended from time to time, the “Anti-Deficiency Acts”); and (iii) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2001). Pursuant to the Anti-Deficiency Acts, nothing in this Lease shall create an obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any Rent, or any component thereof, under this Lease shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress. If no appropriation is made by Congress to pay Rent and any other amount under this Lease for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payment under this Lease upon the expiration of any then-existing appropriation and the District shall promptly notify Landlord.

(b) The District agrees to exercise all lawful authority available to it to satisfy the financial obligations of the District that may arise under this Lease. During the Lease Term, the Mayor of the District of Columbia or other appropriate official shall, for each fiscal period, include in the budget application submitted to the Council of the District of Columbia the amount necessary to fund the District’s known potential financial obligations under this Lease for such fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay Rent, or any component thereof, due under this Lease for any period after the fiscal year

for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payment under this Lease upon the expiration of any then-existing appropriation, the District shall promptly notify Landlord, and this Lease shall immediately terminate upon the expiration of any then-existing appropriation.

(c) Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section or in the event of a person or persons the use of the facility, including any and all services, privileges, accommodations and activities provided under this Lease.

(d) This Lease shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District of Columbia Official or employee is authorized to obligate or expend any amount under this Lease unless such amount has been appropriated by Act of Congress and is lawfully available.

27.2 Nondiscrimination in Facilities.

(a) Definition. As used in this Section 27.2, “facility” means the Premises.

(b) No Discrimination. Landlord shall not discriminate by segregation or otherwise against any person because of race, color, religion, sex, national origin, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, disability,

matriculation, political affiliation, source of income or place of residence or business in furnishing or by refusing to furnish to such person or persons the use of the facility, including any and all services, privileges, accommodations and activities provided under this Lease.

(c) Noncompliance. Landlord's noncompliance with the provisions of this Section 27.2 shall constitute a material breach of this Lease. In the event of such noncompliance, District shall promptly provide to Landlord notice thereof, detailing with specificity Landlord's noncompliance. If Landlord does not correct such noncompliance within sixty (60) days after its receipt of such notice from the District specifying such noncompliance the District may, subject to this Section 27.2(c), pursue any remedies on account of such noncompliance as may be provided by applicable law (including any applicable regulations thereto) or in equity. In the event of termination, Landlord shall be liable for all excess costs of the District in acquiring substitute space, including without limitation the cost of moving to such space.

(d) Concession Agreements. Landlord shall include, or require the inclusion of, the foregoing provisions of this Section 27.2 (with the terms "Landlord" and "District" appropriately modified) in every agreement or concession agreement pursuant to which any persons other than Landlord operates or has the right to operate the facility. Landlord shall take such action with respect to any such agreement as the District may reasonably direct as a means of enforcing this Section 27.2, including without limitation the termination of such agreement or concession.

27.3 Nondiscrimination in Employment.

(a) Nondiscrimination. In connection with Landlord's performance of its obligations hereunder to furnish to District building services and utilities (if any), Landlord shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, disability, matriculation or political affiliation. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of the aforementioned categories. Such action shall include without limitation the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. Landlord shall post in conspicuous places available to employees and applicants for employment notices to be provided by District setting forth the provisions of this non-discrimination clause.

(b) Advertisements. In all solicitations or advertisements for employees placed by or on behalf of Landlord for the performance of obligations hereunder to furnish to District building services and utilities (if any), Landlord shall state that all qualified persons will receive consideration for employment without regard to race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, disability, matriculation or political affiliation.

(c) Labor Unions. Landlord shall send to each labor union or representative of workers with which Landlord has a collective bargaining agreement or other contract with respect to



the furnishing of labor a notice to be provided by the District advising such labor unions or workers' representatives of Landlord's commitments under this Section 27.3 and Landlord shall post copies of such notice in conspicuous places available to employees and applicants for employment.

(d) Books and Records. At reasonable times with appropriate notice to Landlord, Landlord shall permit District and its agents to have reasonable access to Landlord's books, records and accounts for purposes of investigation to ascertain compliance with the provisions of this Section 27.3.

(e) Noncompliance. In the event of Landlord's noncompliance with the nondiscrimination provisions of this Lease, District shall promptly provide to Landlord notice thereof, detailing with specificity Landlord's noncompliance. If Landlord does not correct such noncompliance within sixty (60) days after its receipt of such notice from District specifying such noncompliance, District may pursue any remedies on account of such noncompliance as may be provided by applicable law (including any applicable regulations thereto) or in equity.

(f) Contracts. Landlord shall insert the foregoing nondiscrimination in employment provisions in all contracts for procurement of goods and services relating to the performance of Landlord's obligations hereunder (if any), except contracts for standard commercial supplies or raw materials, unless exempted by rules, regulations or orders of District, so that such provisions will be binding upon each contractor or vendor. Landlord shall take such action with respect to any contractor or vendor as District may direct as a means of enforcing such provisions, including without limitation sanctions for noncompliance;

provided, however, that in the event Landlord becomes involved in or is threatened with litigation with a contractor or vendor as a result of such direction by District, Landlord shall give notice thereof to District and Landlord may request District to enter into such litigation to protect the interests of District.

27.4 Contingent Fees.

(a) No Contingent Fees. Landlord warrants that no person or agency has been employed or retained by Landlord to solicit or obtain this Lease upon an agreement or understanding for a contingent fee. For breach or violation of this warranty, District shall have the right in its discretion, to deduct from all items of Rent, or otherwise recover, the full amount of the contingent fee.

(b) **"Contingent fee"** means any commission, percentage, brokerage or other fee that is contingent upon the success such person or concern has in securing a lease with District.

(c) The negotiation, execution, delivery and performance of the Lease by District are not and will not be induced by, resulting from or based on improper influence. **"Improper influence"** means any influence that induces or tends to induce an employee or officer of District to give consideration or to act regarding a lease with District on any basis other than on the merits of the matter or in violation of any Laws or regulation regarding the acquisition by District of a leasehold interest.

27.5 Authority of District. Subject to the provisions set forth in Section 27.1, by executing this Lease the District represents to Landlord that: (i) it is authorized to enter into, execute and deliver this Lease and perform the obligations hereunder; (ii) this

Lease is effective and enforceable against the District in accordance with its terms; (iii) the person signing on the District's behalf is duly authorized to execute this Lease; and (iv) no other signatures or approvals are necessary in order to make all of the representations of the District contained in this Section 27.5 true and correct, provided that the Council of the District of Columbia shall have first approved the Lease in accordance with D.C. Official Code § 1-204.51(b) and D.C. Official Code § 10-1008.

27.6 False Claims Provisions.

Notwithstanding any provision to the contrary in this Lease, all Real Estate Tax Expense Statements and all other demands for payment or reimbursement under this Lease shall be subject to False Claims Provisions.



EXHIBIT A
Form of SNDA

[see attached]



List of Exhibits:

- Exhibit A-1: Legal Description of SWLH Property
- Exhibit A-2: Legal Description of District Property
- Exhibit B: Form of SWLH Deed
- Exhibit C: Form of District Deed
- Exhibit D: Form of SWLH Bill of Sale
- Exhibit E: Form of District Bill of Sale
- Exhibit F: Form of District Lease
- Exhibit G: SWLH Property Leases and Contracts
- Exhibit H: Form of SWLH Assignment
- Exhibit I: Intentionally Omitted
- Exhibit J: Form of District Assignment
- Exhibit K: Form of Airspace Lease Estoppel
- Exhibit L: Form of Reeves Sublease Estoppel
- Exhibit M: Reeves Leases
- Exhibit N: Due Diligence Materials Not Distributed
- Exhibit O: Arbitration Procedure

ASL

Exhibit A-1

Legal Description of SWLH Property

Lot 13 in the subdivision made by Potomac Electric Power Company in Square 807, per plat recorded in Book 152 at page 52 in the Office of the Surveyor of the District of Columbia, and being more particularly described by metes and bounds as follows:

Commencing from a point, said point marked by a copper, thence East 0.05 feet to the point of intersection of the West line of 1st St SW and the South line of T St SW, thence North 85 feet to the point of beginning and being the intersection of the West line of 1st St SW and North line of T St SW, thence the following courses and distances: West 335 feet with the North line of T St SW, to a point, thence North 286.42 feet with the East line of 2nd St SW to a point, thence East 335 feet with the South line of S St SW to a point, thence South 286.42 feet with the West line of 1st St SW to the point of beginning and containing 89,251 square feet, more or less, by record and measurement.

Exhibit A-2

Legal Description of District Property

All that certain lot or parcel of land together with all improvements thereon located and being in the City of Washington in the District of Columbia and being more particularly described as follows:

Parcel One:

Lot numbered Two Hundred Nine (209) in Square numbered Two Hundred Four (204) in the subdivision made by D. C. Redevelopment Land Agency, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 175 at folio 147.

SAVING AND EXCEPTING THEREFROM all that part being that certain air space lot or parcel of land taxed as Lot numbered 7000 in Square 204 more particularly described as follows:

BEGINNING at a point due East 9.00 feet from the front corner common to Lots 208 and 209 in Square 204, said point being on the southerly right-of-way line of "V" Street, N.W., and running thence due East 71.00 feet with the said southerly right-of-way line of "V" Street; thence the three following courses and distances across said Lot 209: due South 184.00 feet; thence due West 71.00 feet; thence due North 184.00 feet to the place of beginning of this description, containing a horizontal area of 13,064 square feet more or less, and being that portion of public space above the existing sub flooring slab extending vertically from the top of the roof slab of the Municipal Office Building garage below, elevation 103.25 feet to a point 100.00 feet above said top of Municipal Office Building garage roof slab to an elevation of 203.25 feet.

NOTE: At the date hereof the above described remainder of Lot 209 is designated on the Records of the Assessor for the District of Columbia for assessment and taxation purposes as Lot numbered Eight Hundred Forty-four (844) in Square numbered Two Hundred Four (204).

Parcel Two:

Part of Lot numbered Two Hundred Nine (209) in Square numbered Two Hundred Four (204) in the subdivision made by D. C. Redevelopment Land Agency, as per plat recorded in the Office of the Surveyor for the District of Columbia in Liber 175 at folio 147, being that certain air space more particularly described as follows:

BEGINNING at a point due East 9.00 feet from the front corner common to Lots 208 and 209 in Square 204, said point being on the southerly right-of-way line of "V" Street, N.W., and running thence due East 71.00 feet with the said southerly right-of-way line of "V" Street; thence the three following courses and distances across said Lot 209: due South 184.00 feet; thence due West 71.00 feet; thence due North 184.00 feet to the place of beginning of this description, containing a horizontal area of 13,064 square feet more or less, and being that portion of public space above the existing sub flooring slab extending vertically from the top of the roof slab of the Municipal Office Building garage below, elevation 103.25 feet to a point 100.00 feet above said top of Municipal Office Building garage roof slab to an elevation of 203.25 feet.

NOTE: At the date hereof the above described remainder of Lot 209 is designated on the Records of the Assessor for the District of Columbia for assessment and taxation purposes as Lot numbered Seven Thousand (7000) in Square numbered Two Hundred Four (204).



Exhibit B

Form of SWLH Deed

SPECIAL WARRANTY DEED

THIS DEED, made as of the ___ day of _____, 201_, by and between (i) **SW LAND HOLDER, LLC**, a Delaware limited liability company (the “**GRANTOR**”), having a mailing address of 601 Thirteenth Street, N.W., Washington, D.C. 20005, and (ii) **THE DISTRICT OF COLUMBIA**, a municipal corporation (“**GRANTEE**”), having a mailing address in care of the Office of [_____], 1350 Pennsylvania Avenue, Suite [____], Washington, D.C. 20004.

WITNESSETH, that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Grantee and its successors and assigns, in fee simple, all of the right, title and interest of the Grantor in, to and under that lot or parcel of land, together with the improvements thereon, and all rights, and privileges, and appurtenances to the same belonging, situate, lying and being in the District of Columbia, described as follows (the “**Property**”), to wit:

See attached Exhibit A

SUBJECT to all easements, covenants and restrictions of record against title to the Property and in effect as of the date first above written.

TO HAVE AND TO HOLD the same unto and for the use of the Grantee, its successors and assigns, in fee simple, forever;

AND said Grantor covenants that it has the right to convey to Grantee the above-described property, that it will warranty specially said property, and that it will execute such further assurances of said property as may be requisite.

[signature page follows]

Exhibit C

Form of District Deed

SPECIAL WARRANTY DEED

THIS DEED, made as of the ___ day of _____, 201_ by **THE DISTRICT OF COLUMBIA**, a municipal corporation (“**GRANTOR**”), having a mailing address in care of the Office of [_____], 1350 Pennsylvania Avenue, Suite [____], Washington, D.C. 20004, and **SW LAND HOLDER, LLC**, a Delaware limited liability company (the “**GRANTEE**”), having a mailing address of 601 Thirteenth Street, N.W., Washington, D.C. 20005.

WITNESSETH, that in consideration of the sum of One Dollar (\$1.00) and other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Grantor does hereby grant and convey unto the Grantee and its successors and assigns, in fee simple, all of the right, title and interest of the Grantor in, to and under that lot or parcel of land, together with the improvements thereon, and all rights, and privileges, and appurtenances to the same belonging, situate, lying and being in the District of Columbia, described as follows (the “**Property**”), to wit:

See attached Exhibit A

SUBJECT to all easements, covenants and restrictions of record against title to the Property and in effect as of the date first above written.

TO HAVE AND TO HOLD the same unto and for the use of the Grantee, its successors and assigns, in fee simple, forever;

AND said Grantor covenants that it has the right to convey to Grantee the above-described property, that it will warranty specially said property, and that it will execute such further assurances of said property as may be requisite.

[signature page follows]



IN WITNESS WHEREOF, the Grantor has caused this Special Warranty Deed to be executed in its name by _____, its authorized representative, as of the date first set forth above.

GRANTOR:

DISTRICT OF COLUMBIA, by and through the
[_____]

By: _____
Name:
Title:

Approved for Legal Sufficiency:

Office of the Attorney General for the
District of Columbia

By: _____
Assistant Attorney General

District of Columbia) ss:

BEFORE ME, a Notary Public in and for the jurisdiction aforesaid, do hereby certify that _____ on behalf of the DISTRICT OF COLUMBIA, whose name is signed to the foregoing Special Warranty Deed bearing date on the ____ day of _____, 201__, personally appeared before me in said jurisdiction, and, being personally known to me (or satisfactorily proven) to be the person whose name is subscribed to the foregoing Special Warranty Deed, and acknowledged said Special Warranty Deed to be the act and deed of the District of Columbia for the purposes therein set forth.

Given under my hand and seal this ____ day of _____, 201__.

Notary Public

My Commission Expires: _____

After recording, please return to:
Arnold & Porter LLP
555 12th Street, N.W.
Washington, D.C. 20004-1206
Attn: Matthew Johnston, Esq.

Exhibit D

Form of SWLH Bill of Sale

BILL OF SALE

THIS BILL OF SALE (“**Bill of Sale**”) is made as of _____, 2014, by SW Land Holder, LLC, a Delaware limited liability company (“**SWLH**”) in favor of the District of Columbia, a municipal corporation acting by and through the Department of General Services (“**District**”).

RECITALS:

Pursuant to an Exchange Agreement dated as of _____, 2014 (“**Agreement**”) between SWLH and the District, SWLH has agreed to convey and transfer to the District certain real property and improvements located on Buzzard Point in Washington, D.C. (Lots 13 in Square 607). Pursuant to the Agreement, SWLH also desires to convey and transfer to the District, and the District desires to accept from SWLH, the Personal Property owned by SWLH and associated with the SWLH Land and the Improvements located thereon. All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, SWLH agrees as follows:

1. **Transfer of Property.** SWLH hereby assigns, conveys, transfers, and grants to the District all of its right, title and interest in the Personal Property associated with the SWLH Land and the Improvements located thereon. SWLH is making no representations or warranties with respect to such Personal Property except to the extent expressly set forth in the Agreement.
2. **Further Assurances.** Promptly upon request of the other party, the District and SWLH shall each execute and deliver to the other such further assurances and take such further actions as may be reasonably required or appropriate to perfect the transfer of the aforesaid Personal Property and otherwise carry out the intent and purpose of this Bill of Sale.
3. **Binding Effect and Assignment.** This Bill of Sale shall be binding upon SWLH and its successors and assigns, and shall inure to the benefit of the District and its successors and assigns.
4. **Governing Law.** This Bill of Sale shall be governed by and construed in accordance with the laws of the District of Columbia (without reference to conflicts of laws principles).

[signatures appear on following page]

Am

IN WITNESS WHEREOF, SWLH has executed this Bill of Sale under seal as of the date first above written.

SWLH:

SW LAND HOLDER, LLC

By: JACO SW Land, LLC, its managing member

By: JACO Manager, Inc., its managing member

By: _____
Name:
Title:

Exhibit E

Form of District Bill of Sale

BILL OF SALE

THIS BILL OF SALE (“**Bill of Sale**”) is made as of _____, 2014, by the District of Columbia, a municipal corporation acting by and through the Department of General Services (“**District**”) in favor of SW Land Holder, LLC, a Delaware limited liability company (“**SWLH**”).

RECITALS:

Pursuant to an Exchange Agreement dated as of _____, 2014 (“**Agreement**”) between SWLH and the District, the District has agreed to convey and transfer to SWLH certain real property and improvements commonly known as the Reeves Municipal Center in Washington, D.C. (Lots 844 and 7000 in Square 204). Pursuant to the Agreement, the District also desires to convey and transfer to SWLH, and the SWLH desires to accept from the District, the Personal Property owned by the District and associated with the District Land and the Improvements located thereon. All capitalized terms not defined herein shall have the meanings ascribed to them in the Agreement.

NOW, THEREFORE, in consideration of the foregoing premises, and of other good and valuable consideration, the receipt and sufficiency of which are acknowledged, the District agrees as follows:

1. **Transfer of Property.** The District hereby assigns, conveys, transfers, and grants to SWLH all of its right, title and interest in the Personal Property associated with the District Land and the Improvements located thereon. The District is making no representations or warranties with respect to such Personal Property except to the extent expressly set forth in the Agreement.
2. **Further Assurances.** Promptly upon request of the other party, the District and SWLH shall each execute and deliver to the other such further assurances and take such further actions as may be reasonably required or appropriate to perfect the transfer of the aforesaid Personal Property and otherwise carry out the intent and purpose of this Bill of Sale.
3. **Binding Effect and Assignment.** This Bill of Sale shall be binding upon the District and its successors and assigns, and shall inure to the benefit of SWLH and its successors and assigns.
4. **Governing Law.** This Bill of Sale shall be governed by and construed in accordance with the laws of the District of Columbia (without reference to conflicts of laws principles).

[signatures appear on following page]



IN WITNESS WHEREOF, the District has executed this Bill of Sale under seal as of the date first above written.

DISTRICT:

DISTRICT OF COLUMBIA, by and through the
Department of General Services

By: _____
Name:
Title:



Exhibit F
Form of District Lease

[see attached]

As

D.C. DEPARTMENT OF GENERAL SERVICES

1. LEASE NO.

AWARD OF IN LEASE

2. BUILDING NAME AND ADDRESS (No., street, city, state, and zip code)

Reeves Municipal Center
2000 14th Street, NW
Washington, D.C. 20009

3. Your offer is hereby accepted. THIS AWARD CONSUMMATES THE LEASE WHICH CONSISTS OF THE FOLLOWING DOCUMENTS (as such documents have been altered by the parties): *[insert additional forms as applicable]*

- (a) this DC DGS Form L-100 (Award),
- (b) DC DGS FORM L-103 (Definitions)
- (c) DC DGS FORM L-104 (Standard Clauses and exhibits attached thereto)
- (d) DC DGS FORM L-102 (Accepted Proposed Terms)

In the event of conflict, the order of priority between the documents comprising the Lease shall be in the order above.

4a. LANDLORD'S NOTICE AND PAYMENT ADDRESS:

Prior to Closing: SW Land Holder, LLC
c/o Akridge
601 13th Street NW, Ste. 300N
Washington, DC 20005

Upon Closing: 14U Investors, LLC,
c/o Akridge
601 13th Street NW, Ste. 300N
Washington, DC 20005

4b. DISTRICT'S NOTICE ADDRESS:

Director
District of Columbia Department of General Services
2000 Fourteenth Street, N.W., 8th Floor, Washington D.C. 20009

with a copy to:
Real Estate Section of the Commercial Division
The Office of the Attorney General for the District of Columbia
1100 Fifteenth Street, N.W., Suite 800, Washington D.C. 20005
Attn: Deputy of the Commercial Division

5. LANDLORD'S SIGNATURE *(Insert Landlord's signature block including name of Lessor and name and title of Signatory):*

5a. SIGNATURE

5b. DATE

THIS DOCUMENT IS NOT BINDING ON THE DISTRICT OF COLUMBIA UNLESS SIGNED BELOW BY THE DIRECTOR OF THE DEPARTMENT OF GENERAL SERVICES OF THE DISTRICT OF COLUMBIA AND BY THE OFFICE OF THE ATTORNEY GENERAL FOR THE DISTRICT OF COLUMBIA AND, IF THE ANNUAL RENT IS EQUAL TO OR EXCEEDS \$1,000,000, APPROVED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA PURSUANT TO D.C. OFFICIAL CODE § 1-204.51.

DISTRICT'S SIGNATURES

6. NAME OF DIRECTOR

6a. SIGNATURE OF DIRECTOR

6b. DATE

Approved as to Legal Sufficiency:

7. NAME

7a. TITLE

7b. SIGNATURE

7c. DATE

LEASE COMMENCEMENT DATE *(Insert the date that this Lease is fully executed above, subject, to prior Council Approval, if applicable)*

8.



SECTION I - DESCRIPTION OF PREMISES

1a. BUILDING NAME The Reeves Center		2a. FLOORS OFFERED 8 Above Grade 2 Below Grade	3. TOTAL RENTABLE SPACE		
1b. BUILDING ADDRESS 2000 14th Street NW			2b. TOTAL NUMBER OF FLOORS IN BUILDING 8 Above / 2 Below	a. GENERAL PURPOSE (Office) 304,290 sq. ft.	b. WAREHOUSE sq. ft.
1c. CITY Washington	1d. STATE DC	4. LIVE FLOOR LOAD N/A lbs. / sq. ft.	5. MEASUREMENT METHOD ANSI/BOMA 111 OTHER 11	6. YEAR OF LAST MAJOR RENOVATION (if applicable)	7. BUILDING AGE 29 Years
1e. 9-DIGIT ZIP CODE 20009	1f. DISTRICT WARD 1				

SECTION II - SPACE OFFERED AND RATES

	ANSI/BOMA OFFICE AREA SQUARE FEET (1)	RENTABLE SQUARE FEET (2)	COMMON AREA FACTOR (3)	INITIAL TERM		SPACE BUILDOUT & AMORTIZATION		
				SQ. FT. RATE PER YEAR (RENTABLE) (4)	TOTAL ANNUAL AMOUNT (2) x (4) (5)		DOLLAR AMOUNT	
a. ANNUAL RENTAL NNN Lease	212,834	304,290	1.4297	\$18.63	\$5,668,923	a. TOTAL BUILDOUT	\$ 0	
b. OPERATING COSTS (SERVICE COSTS)	(Refer to Line 27 on DC DRES Form L-101)			By Tenant	By Tenant	b. SHELL BUILDOUT (per requirements in SFO)	\$ 0	
c. CURRENT REAL ESTATE TAX	Include in Shell Rent and Provide Current Year Statement (Refer to Line 28 on DC DRES Form L-101)			TBD at Closing (Tenant to Reimburse)	TBD at Closing (Tenant to Reimburse)	c. TENANT IMPROVEMENTS (per requirements in SFO)	(Excluding DC requirements) \$ 0	
d. AMORT. OF TENANT IMPROVEMENTS	(Complete Items 9a thru 10)			(10 divided by 2a(2)) \$ 0	(see 10) \$ 0	d. AMORT. RATE	0 %	
e. SHELL RENTAL	2a(5) minus sum of (2b(5)) and (2c(5))			\$18.63	\$5,668,923	e. AMORT. TERM	MONTHS	
<i>Note: When multiplying column 4 by column 2, it may not equal column 5, due to rounding. The Offeror is encouraged to minimize the rounding error.</i>						f. AMORT. OF TENANT IMPROVEMENTS (USE 9c as base)	\$ 0 (per month)	
11.	Tenant improvements shall be all alterations for the Government-demised area above the building shell build out. The Tenant Improvement Allowance as stated under Block 9c is not included in the shell rent. It is expected that the tenant build out will be fully amortized at the end of the firm term and the rent reduced accordingly. Any desired rent increases or decreases should be reflected in the shell rate and fully explained as part of this written proposal. If tenant improvements are to be amortized beyond the firm term, said calculations will be itemized as part of this written proposal.						10. AMORT. OF TENANT IMPROVEMENTS	(9f x 12 months) \$ N/A (per year)
12.	a. Tenant Representative Commission: % 0		b. Owner's Representative Commission: % 0		c. Schedule of Commission payments: 0 % at lease award and/or 0 % at lease occupancy			
13.	a. Number of parking spaces for the entire building/facility, which are under the control of the Offeror. 349		c. Number of parking spaces for Official Government Vehicles (per SFO): Annual cost per space: \$ 0		b. Number of parking spaces for Employee/Visitor Use: Annual cost per space: 0 \$ Number required by local code: 158			

SECTION III - LEASE TERMS AND CONDITIONS

14. INITIAL LEASE TERM (Full Term)			15. RENEWAL OPTIONS			
a. NUMBER OF YEARS	b. YEARS FIRM	c. NUMBER OF DAYS NOTICE REQUIRED FOR GOVERNMENT TO TERMINATE LEASE	a. SHELL RATE / RSF / YR	b. YEARS EACH	c. NUMBER OF OPTIONS	d. NUMBER OF DAYS NOTICE REQUIRED TO EXERCISE RENEWAL OPTION
3	3	N/A	N/A	N/A	N/A	N/A
d. LEASE COMMENCEMENT DATE: Closing on Exchange						

An

16. OFFER GOOD UNTIL AWARD	17. Space will be altered and delivered in accordance with the Government's specifications and requirements in accordance with the Solicitation of Offers / Request for Proposals and any additional attachments. N/A
18. LIST OF ATTACHMENTS SUBMITTED WITH THIS OFFER (See Solicitation / Request for Proposals requirements) See attached DC DGS Form L-100	
19. ADDITIONAL REMARKS OR CONDITIONS WITH RESPECT TO THIS OFFER (See Section 11 of DC DRES Form L-104 describing Lessor provided services.) [NOTE: This form is attached to that certain Exchange Agreement between SW Land Holder, LLC and the District of Columbia. Upon execution at Closing under the Exchange Agreement, this Lease will be a fully triple net lease, and the District agrees to accept the premises in its as-is, where-is condition, all as more fully set forth in the Lease.]	

SECTION IV - OWNER IDENTIFICATION AND CERTIFICATION

20. RECORDED OWNER (Name and address including ZIP code)			
Prior to Closing:	SW Land Holder, LLC, c/o Akridge 601 13th Street NW, Ste. 300N Washington, DC 20005	Upon Closing:	14U Investors, LLC, c/o Akridge 601 13th Street NW, Ste. 300N Washington, DC 20005
21. BY SUBMITTING THIS OFFER, THE OFFEROR AGREES UPON ACCEPTANCE OF THIS PROPOSAL BY THE HEREIN SPECIFIED DATE, TO LEASE TO THE DISTRICT OF COLUMBIA, THE PREMISES DESCRIBED, UPON THE TERMS AND CONDITIONS AS SPECIFIED HEREIN, IN FULL COMPLIANCE WITH AND ACCEPTANCE OF THE AFOREMENTIONED SOLICITATION OF OFFERS / REQUEST FOR PROPOSALS, WITH ATTACHMENTS.			
22. OFFEROR'S INTEREST IN PROPERTY	OWNER Upon Closing with District <input checked="" type="checkbox"/>	AGENT <input type="checkbox"/>	OTHER (Specify):
23. OFFEROR			
a.	b. E-MAIL ADDRESS: agooch@akridge.com		
	c. TELEPHONE NUMBER (including area code) 202-624-8602		
d. SIGNATURE	e. DATE SIGNED - -		

Am

**DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL
SERVICES**

**IN-LEASE
DEFINITIONS**

“Additional Rent” means Real Estate Taxes, Insurance Costs and any other monetary payments, costs or obligations payable by District under the Lease in addition to Annual Rental.

“Airspace Lease” the Lease Agreement for Rental of Airspace between the District and Parcel 13 Associates Limited Partnership, dated October 8, 1986 and recorded in the Land Records as Instrument No. 42522, as amended by that certain First Amendment to Lease Agreement for Rental of Airspace dated November 11, 2009 and recorded in the Land Records as Instrument No. 2009123478.

“Airspace Parcel” means the “Premises” described in the Airspace Lease. The Airspace Parcel is Lot 7000 in Square 204 in Washington, D.C.

“Agent” means a party’s agent, officer, or employee.

“Alteration” means any improvement, addition, alteration, fixed decoration, substitution, replacement or modification, structural or otherwise, in or to the Premises, but does not include removable fixtures, furniture, or equipment.

“Annual Rental” means the base rent due under the Lease as set forth in Section II(8a) on DC DRES Form L-102TIA. Annual Rental excludes any payments for Real Estate Taxes and

Insurance Costs.

“Base Building Conditions” is the exterior of the Building, the demising walls (if any), load bearing elements, foundations, roof, slab ceilings, slab flooring, mechanical core areas, and Building Structures and Systems.

“BOMA Measurement Standard” or **“BOMA”** means the Building Owners and Managers Association Standard Method for Measuring Floor Area in Office Building (BOMA/ANSI Z65.1-1996).

“Building” means the building specified in Section I(1) on DC DRES Form L-102TIA, which includes the Garage.

“Building Hours” means, unless otherwise specified on DC DRES Form L-102TIA, the hours between 7:00 a.m. to 7:00 p.m. Monday through Friday, and between 8:00 am to 2:00 pm on Saturday (excluding legal holidays recognized by the District of Columbia).

“Building Structures and Systems” is the Building standard mechanical, electrical, telephone/telecommunication systems, lighting, HVAC and plumbing systems, elevator core and mechanical systems, safety and environmental management systems, pipes and conduits, including any system or equipment installed for the purposes of keeping below-grade levels dry, columns, plate glass windows, window cleaning tracks, atrium, loading docks, grounds, Garage, all mechanical and janitorial closets, and all other structures or systems serving the Building.

“Default Rate” means the interest rate per annum which is two percent (2%) greater than the “prime rate” then in

BM

effect at Citibank, N.A., New York, New York or its successor.

“District Default” is defined in Section 18.1(a) on DC DRES Form L-104.

“District” means the District of Columbia, by and through its Office of General Services, as the tenant under this Lease.

“Environmental Default” means any of the following caused in whole or in part by District, any District Representative or any contractor, vendor or invitee of District: a violation of Environmental Laws; a release, spill or discharge of Hazardous Materials on or from the Premises; or an environmental condition requiring responsive action.

“Environmental Law” means any present and future laws and any amendments (whether common law, statute, rule, order, regulation or otherwise), permits and other requirements or guidelines of governmental authorities applicable to the Building or the Land and relating to the environment and environmental conditions or to any Hazardous Material (including, without limitation, CERCLA, 42 U.S.C. § 9601 et seq.; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. § 6901 et seq.; the Hazardous Materials Transportation Act, 49 U.S.C. § 1801 et seq.; the Federal Water Pollution Control Act, 33 U.S.C. § 1251 et seq.; the Clean Air Act, 42 U.S.C. § 7401 et seq.; the Toxic Substances Control Act, 15 U.S.C. § 2601 et seq.; the Safe Drinking Water Act, 42 U.S.C. § 300f et seq.; the Emergency Planning and Community Right-To-Know Act, 42 U.S.C. § 1101 et seq.; the Occupational Safety and Health Act, 29 U.S.C. § 651 et seq.; and any so-called “Super Fund”

or “Super Lien” law, any law requiring the filing of reports and notices relating to hazardous substances, environmental laws administered by the Environmental Protection Agency and any similar state and local Laws, all amendments thereto and all regulations, orders, decisions and decrees now or hereafter promulgated thereunder).

“Event of Default” is either a District Default or a Landlord Default, as the case may be.

“False Claims Provisions” means D.C. Official Code §§ 2-308.13 - 2-308.19.

“FOIA” means D.C. Freedom of Information Act, D.C. Official Code § 2-531, *et seq.*

“Force Majeure Event” means any of the following that directly cause any of a party’s obligations under the Agreement not to be performed in a timely manner: an act of God (including fire, flood, earthquake, hurricane, or other natural disaster), war, acts of terrorism (as defined by the United Nations Security Council), insurrection, riot, a general shortage of labor, equipment, facilities, materials or supplies in the open market, failure or unavailability of transportation, strike, lockout, or other actions of labor unions, or any other cause, whether similar or dissimilar to the foregoing that is not within the reasonable control of the party or caused by the fault or negligence of such party.

“Garage” means the subsurface parking garage located in the Building.

“Hazardous Materials” means (a) asbestos and any asbestos containing material and any substance that is then defined or listed in, or otherwise

classified pursuant to, any Environmental Laws or any other applicable Laws as a “hazardous substance,” “hazardous material,” “hazardous waste,” “infectious waste,” “toxic substance,” “toxic pollutant” or any other formulation intended to define, list or classify substances by reason of deleterious properties such as ignitability, corrosivity, reactivity, carcinogenicity, toxicity, reproductive toxicity or Toxicity Characteristic Leaching Procedure (TCLP) toxicity; (b) any petroleum and drilling fluids, produced waters and other wastes associated with the exploration, development or production of crude oil, natural gas or geothermal resources; and (c) any petroleum product, polychlorinated biphenyls, urea formaldehyde, radon gas, radioactive material (including any source, special nuclear or by-product material), medical waste, chlorofluorocarbon, lead or lead-based product and any other substance the presence of which could be detrimental to the Building or the Land or hazardous to health or the environment.

“**Insurance Costs**” is defined in Section 14.6 on DC DRES Form L-104.

“**Land**” means Lot 844 in Square 204 in Washington, D.C., but excluding the Airspace Parcel.

“**Landlord Default**” is defined in Section 18.2(a) on DC DRES Form L-104.

“**Landlord Payment Address**” is set forth in Section 4(a) on DC DRES Form L-100, as may be revised in accordance with the notice provisions of this Lease.

“**Laws**” means all applicable laws

(including, without limitation, the Americans with Disabilities Act (the “**ADA**”), 101 P.L. 336; 104 Stat. 327, together with the requirements under Title II and Title III of the ADA) and the regulations promulgated thereunder, as the same may be amended from time to time, ordinances (including without limitation, zoning ordinances and land use requirements), codes, regulations, orders, rules and regulations of the District of Columbia, the United States or other governmental or quasi-governmental entities.

“**Lease Commencement Date**” means the date the Lease is fully executed subject, if the annual rent for a twelve (12) month period is equal to or greater than \$1,000,000, to the prior approval of the Lease by the Council of the District of Columbia pursuant to D.C. Official Code § 1-204.51(b) and D.C. Official Code § 10-1008, which date is set forth in Section III(14)(d) on DC DRES Form L-102TIA.

“**Lease Term**” is the period set forth in Section III(14) on DC DRES Form L-102TIA, together with any extensions thereto, in all events subject to the terms of Section 27.1 of DC DRES Form L-104.

“**Lease Year**” means (i) the first period of twelve (12) consecutive calendar months following the Lease Commencement Date plus any partial month following the Lease Commencement Date and preceding such twelve month period and (ii) each successive twelve (12) month period thereafter until the Lease Term ends.

“**Operating Costs**” means all costs and expenses incurred in connection with the maintenance, operation, management,

replacement and repair of the Premises (other than Insurance Costs), including, without limitation (i) gas, electricity, water, sewer and other utility charges (including surcharges) of whatever nature, (ii) building personnel costs, including, but not limited to, salaries, wages, fringe benefits and other direct and indirect costs of engineers, superintendents, watchmen, porters and any other building personnel, (iii) costs of service and maintenance contracts, including, but not limited to, chillers, boilers, controls, elevators, mail chutes, windows, janitorial and general cleaning, security services, and management fees, (iv) all other maintenance and repair expenses and supplies.

“Premises” means the premises as set forth in Section I on DC DRES Form L-102TIA. The Premises includes the entire Building and the Land. For the avoidance of doubt, the Premises excludes the Airspace Parcel.

“Rent” means Annual Rental and Additional Rent.

“Real Estate Taxes” shall have the meaning set forth in Section 7.5(c) of DC DRES Form L-104.

“Representatives” means that party’s affiliates, shareholders, partners, directors, officers, trustees, employees, members, agents and representatives (and any past, present or future board member, partner, trustee, director, member, officer, employee, agent, representative or advisor of any of them).



**DISTRICT OF COLUMBIA
DEPARTMENT OF GENERAL
SERVICES**

**IN-LEASE
STANDARD CLAUSES AND
PROVISIONS**

RECITALS

A. Pursuant to that certain Exchange Agreement (“**Exchange Agreement**”) between an affiliate of Landlord (“**Purchaser**”) and District, dated as of [_____, 20__], District conveyed the Premises to Landlord (as assignee of Purchaser’s interest under the Exchange Agreement) as of the date hereof.

B. Prior to the date hereof, District has owned and occupied the Premises.

C. District now seeks to lease the Premises from Landlord in accordance with the terms and conditions set forth herein.

1. PREMISES

1.1 District leases the Premises from Landlord for the term and upon the conditions and covenants set forth in this Lease. Landlord and District hereby stipulate to the rentable square footage of the Premises as set forth in Section I on DC DGS Form L-102TIA.

1.2 [Intentionally blank].

1.3 Subject to the terms and conditions of the Lease, Landlord shall deliver to the District, and the District shall accept, the Premises, including the Land and the Building (including the Garage, all Base Building Conditions and all Building Structures and Systems) in their “as-is” condition, with District accepting all defects, if any, and Landlord makes no warranty of

any kind, express or implied, with respect to thereto.

2. PARKING

Landlord and District acknowledge that the Premises include the Garage. District shall be responsible for the operation and management of the Garage. District shall have the right to collect and retain any revenue generated from the operation of the Garage. District agrees that it and its employees shall observe reasonable safety precautions in the use of the Garage. It is understood and agreed that Landlord does not assume any responsibility for any damage or loss to any automobiles parked in any such garage or to any personal property located therein, or for any injury sustained by any person in or about the Garage. District shall provide parking spaces to the residents of the Airspace Parcel as required by the Airspace Lease.

3. USE OF PREMISES

3.1 District shall use and occupy the Premises for general office purposes and uses ancillary thereto, including without limitation any uses of the Premises being made by District as of the date hereof. By executing the Lease, Landlord acknowledges and pre-approves occupancy for such purposes by any District agency, whether currently occupying the Premises or as District may elect during the Lease Term. Substitution of an agency shall not constitute an assignment or sublet or be subject to Landlord’s approval under Section 21 so long as the substituted agency uses the Premises as permitted under the Lease. District shall not use and occupy the Premises for any other uses without the express written consent of the Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. District shall not use or occupy the Premises for any

unlawful purpose, or in any manner that will violate the certificate of occupancy for the Premises or that will constitute waste, nuisance or unreasonable annoyance to Landlord or adjacent property owners. District shall comply with all applicable Laws, including those concerning the use, occupancy and condition of the Premises and all machinery, equipment, furnishings, fixtures, and improvements therein, all of which shall be complied with in a timely manner at District's sole expense, subject to the requirements of Section 27.1 of this Lease, provided that District shall not be required to construct or alter any Base Building Conditions or Building Structures and Systems (except as set forth in Section 9). If any such Laws require an occupancy or use permit or license for the Premises or the operation of the business conducted therein, then District shall obtain and keep current such permit or license at District's expense, subject to the requirements of Section 27.1 of this Lease, and shall promptly deliver a copy thereof to Landlord. Use of the Premises is subject to all covenants, conditions, easements, encumbrances and restrictions of record (including without limitation the Airspace Lease), and District shall not operate or use the Premises in any manner that might cause a violation of any such covenants, conditions, easements, encumbrances and restrictions. District acknowledges that it has no rights (including any approval or consent rights) with respect to (i) the Airspace Lease, (ii) the Airspace Parcel or (iii) any easements associated with the Airspace Lease or the Airspace Parcel.

3.2 District shall pay, subject to the requirements of Section 27.1 of this Lease, before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed directly upon District due to its use or occupancy of the Premises, the conduct of

District's business at the Premises or District's equipment, fixtures, furnishings, inventory or personal property. If any such tax or fee is enacted or altered so that such tax or fee is levied against Landlord or so that Landlord is responsible for collection or payment thereof, then District shall pay the amount of such tax or fee with payment of Annual Rental next becoming due and payable.

3.3 (a) District shall not allow, cause or permit any Hazardous Materials to be generated, used, treated, released, stored, or disposed of in or about the Building or the Land by the District or any District Representative or any contractor, vendor or invitee of the District, provided that the District may use and store normal and reasonable quantities of standard cleaning and office materials as may be reasonably necessary for District to conduct normal operations in the Premises so long as such materials are properly, safely and lawfully stored and used by District and the quantity of same does not equal or exceed a "reportable quantity" as defined in 40 C.F.R. 302 and 305, as amended. At the expiration or earlier termination of this Lease, District shall surrender the Premises to Landlord free of Hazardous Materials introduced by District or any District Representative or any contractor, vendor or invitee of District during the Term.

(b) District shall: (i) give Landlord prompt oral and follow-up written notice of any actual or threatened Environmental Default about which District becomes aware, which Environmental Default District shall promptly cure in accordance with all Environmental Laws and only after District has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed; and (ii) promptly deliver to Landlord copies of any notices or

other items received from or submitted to any governmental or quasi-governmental agency, or any claim instituted or threatened by any third party concerning the Premises, the occupancy or use thereof, or the existence or potential existence of Hazardous Materials therein. Upon any Environmental Default, in addition to all other rights available to Landlord under this Lease, at law or equity, Landlord shall have the right but not the obligation to immediately enter the Premises, to supervise and approve any actions taken by District to address the Environmental Default, and, if District fails promptly to address same in compliance with applicable Laws, to perform, at District's sole cost and expense, subject to the requirements of Section 27.1 of this Lease, any lawful action necessary to address such Environmental Default. Landlord shall be released from all liability for damage or injury to the District resulting from Landlord's entry on the Premises to address an Environmental Default, except for any damages or injury arising from the gross negligence or willful misconduct of Landlord.

4. Intentionally Deleted

5. TERM

All of the provisions of this Lease shall be in full force and effect from and after the Lease Commencement Date.

6. EXTENSION OPTIONS

Landlord and District acknowledge that the District has no option or right to renew or extend the Term upon the expiration thereof.

7. RENT, OPERATING COSTS, AND REAL ESTATE TAXES

7.1 District shall pay to Landlord Annual Rental for the Premises during the Lease Term payable in equal monthly installments in arrears. Annual Rental shall be paid to Landlord by District on or before the fifth day of the calendar month following the month in which such Annual Rental accrued. Annual Rental is the amount set forth in Section II(8)(a) on DC DGS FORM L-102TIA. District shall pay to Landlord all Additional Rent when such Additional Rent is due pursuant to the terms of this Lease. Payment of Annual Rent and Additional Rent by the District shall remain subject to the requirements of Section 27.1 of this Lease.

7.2 If the Lease Commencement Date is not the first day of a month, then the Annual Rental from the Lease Commencement Date until the first day of the following month shall be prorated on a per diem basis at the rate of one-thirtieth (1/30th) of the monthly installment of the Annual Rental payable during the first Lease Year, and District shall pay such prorated installment of the Annual Rental in accordance with Section 7.1 hereof. If the Lease Term expires on a day other than the last day of a month, then District's liabilities pursuant to this Section for such calendar month shall be apportioned accordingly.

7.3 District shall pay Rent to Landlord, at Landlord Payment Address, or to such other place or to such other agent as Landlord may from time to time designate in writing, by good check or other funds approved by Landlord from time to time, without setoff, deduction or demand. Landlord's acceptance of Rent after it shall have become due and payable shall not excuse a delay upon any subsequent occasion or constitute a waiver of any of Landlord's rights hereunder. If District fails to pay any installment of Rent on or before ten (10) calendar days after the date when

such installment becomes due and payable, District shall pay to Landlord, subject to the requirements of Section 27.1 of this Lease, a late charge of five percent (5%) of the amount of such installment, and, in addition, such unpaid installment shall bear interest at the Default Rate from the date such installment became due and payable to the date of payment thereof by District; provided, however, that nothing herein contained shall be construed or implemented in such a manner as to allow Landlord to charge or receive interest in excess of the maximum legal rate then allowed by law. Such late charge and interest shall constitute Additional Rent hereunder due and payable with the next monthly installment of Annual Rental due.

7.4 Operating Costs.
Commencing on the Lease Commencement Date and continuing thereafter for the Lease Term, District shall pay all Operating Costs directly to the applicable contractors, vendors, utility companies and service providers. Landlord shall have no obligation to pay any Operating Costs during the Lease Term.

7.5 Real Estate Taxes.

(a) Commencing on the Lease Commencement Date and continuing thereafter for the Lease Term, District shall reimburse Landlord for all Real Estate Taxes in accordance with this Section 7.5.

(b) For the purposes of this Section 7, the term "Premises" shall be deemed to include, without limitation, the Building, Land, the roof of the Building and any extensions therefrom, and, to the extent that such elements exist, any balconies extending from the Building, any driveways, sidewalks and parking garage facilities servicing the Building and all other areas,

facilities, improvements and appurtenances relating to any of the foregoing.

(c) "Real Estate Taxes" shall include (1) all real estate taxes, vault space rentals, rates and assessments (including general and special assessments, if any), ordinary and extraordinary, foreseen and unforeseen, that are imposed upon Landlord in connection with the Premises, or assessed against the Premises or Landlord's personal property used in connection therewith, and (2) any other present or future taxes or charges that are imposed upon Landlord in connection with the Premises or assessed against the Premises that are in the nature of or in substitution for real estate taxes, and (3) any tax levied on or measured by the gross rents payable by tenants of the Premises; any public safety fee or similar charge; any transit, sales, rental, use, receipts, franchise taxes computed on the basis of gross receipts, or occupancy tax or fee; ballpark fees (to the extent assessed against real property) and any assessment imposed in connection with business improvement or similar districts. Real Estate Taxes shall also include any reasonable costs incurred by Landlord to challenge the tax valuation of the Premises. Real Estate Taxes shall not include any fines, penalties and interest on late payments of any Real Estate Taxes, except to the extent caused solely by District's failure to pay its share of Real Estate Taxes. Real Estate Taxes shall not include capital gains, corporation, unincorporated business, net income, profits, excess profit, estate, inheritance, transfer, recordation, gift or franchise taxes, or license fees; any hotel or business entity fees (unless such taxes or fees replace or supplement the current system of real property taxes in effect as of the date hereof).

(d) Within approximately one hundred twenty (120) days after the end of



each Lease Year, or calendar year if so specified in Item III(19) on DC DGS Form L-102TIA, or as soon thereafter as is feasible but no later than one hundred eighty (180) days after the end of such year, Landlord shall submit a statement (the “**Real Estate Taxes Expense Statement**”) showing the actual Real Estate Taxes paid by Landlord during the preceding Lease Year (or calendar year, as applicable). District shall pay such amount with the next monthly payment of Annual Rental due on or after the date that is thirty (30) days following receipt of the Real Estate Taxes Expense Statement.

(e) District shall not initiate or participate in any contest of Real Estate Taxes without Landlord’s prior written consent, such consent not to be unreasonably withheld, conditioned, or delayed. If District shall have paid an amount of Real Estate Taxes and Landlord thereafter receives a refund of such Real Estate Taxes or a credit against future Real Estate Taxes, District shall receive a proportionate credit (after all reasonable costs of obtaining such refund have been deducted) toward the next installment(s) of Real Estate Taxes due under this Lease. If the Lease shall have expired or is otherwise terminated, Landlord shall refund any such net credit due District, after first deducting the amount of any unpaid Rent hereunder, within thirty (30) days thereafter. Landlord shall pay any special assessment in the maximum number of installments permitted by the applicable taxing authority without requiring payment of interest or penalty, and Real Estate Taxes for any Lease Year shall include only the amount of such installments paid (or deemed paid) to the taxing authority on the unpaid balance of the assessment for each Lease Year.

(f) District shall have the audit rights set forth herein with respect to the

Real Estate Taxes Expense Statement. If District reasonably believes that any Real Estate Taxes Expense Statement includes charges that are not permitted pursuant to this Lease or contains an error, in calculation or otherwise, then, within one hundred eighty (180) days after receipt by District of such Real Estate Taxes Expense Statement, District may provide Landlord with a reasonably detailed and written notice of its objections to or inquiries about such Real Estate Taxes Expense Statement charges. If Landlord is unable to satisfy District’s inquiries or if Landlord and District are unable to resolve District’s objections and agree upon the Real Estate Taxes Expense Statement in question within thirty (30) days after Landlord’s receipt of District’s notice, District shall have the right, to be exercised within ninety (90) days after the expiration of such thirty (30)-day period, to inspect or audit Landlord’s books and records relating to the calculation of Real Estate Taxes (provided the person working for District so inspecting and/or auditing shall have a financial educational and employment background) or employ an independent certified public accountant with no less than five (5) years of experience auditing similar buildings in Washington, D.C. and employed by District on an hourly basis (and not on a contingent fee basis) to inspect or audit Landlord’s books and records relating to the calculation of Real Estate Taxes. District shall conclude such inspection or audit within a reasonable time but not longer than one hundred eighty (180) days after District has notified Landlord of its exercise of this right, subject to extension for Landlord’s failure to promptly make its relevant books and records available for such District audit. If District so elects to inspect or audit or employ such accountant, District shall provide not less than ten (10) days’ notice to Landlord of the date on which the District or accountant desires to



examine Landlord's books and records, and Landlord shall make the relevant books and records available to District or to such accountant, at Landlord's office during regular business hours. District or District's accountant shall deliver a written report of any such audit to Landlord within thirty (30) days after the conclusion of the examination and Landlord's accountants and District's accountants (or Landlord and District, as the case may be) shall attempt to reconcile their differences within thirty (30) days thereafter and shall provide notice of such reconciliation to Landlord and District (or to each other). If Landlord's accountant and District's accountant are unable to reconcile their differences within such thirty (30) day period, Landlord and District shall resolve the dispute in the manner provided in D.C. Official Code [_____]. Upon final determination thereof, if it is determined that the amounts paid by District to Landlord in accordance with the Real Estate Taxes Expense Statement exceeded the amounts to which Landlord was entitled hereunder, Landlord shall credit the amount of such excess payments against payments of Real Estate Taxes next becoming due and payable under this Lease after the date Landlord receives notice of final determination of the error; provided, however, that if the Lease Term shall have expired or been terminated, Landlord shall refund such excess to District within thirty (30) days of the final determination of the amount due. If it is determined that the amounts paid by District to Landlord for Real Estate Taxes in accordance with the Real Estate Taxes Expense Statement were less than the amounts to which Landlord was entitled hereunder, District shall pay the amount of such shortfall as Additional Rent during the Lease Year then in effect to Landlord within thirty (30) days after its receipt of the final determination. All costs and expenses of any such District audit shall be paid by

District, except if such determination (made pursuant to the procedures set forth above) discloses that the total amount paid by District for the applicable Lease Year in accordance with the Real Estate Taxes Expense Statement exceeded the total amount to which Landlord was entitled by more than five percent (5%), Landlord shall reimburse District within thirty (30) days for the reasonable out-of-pocket costs and expenses incurred by District for such audit, which in no event shall exceed the amount of District's excess payments of Real Estate Taxes for the applicable Lease Year. Any provision hereof to the contrary notwithstanding, in the event a District audit conducted pursuant to the provisions of this Section 7.5(f) indicates that District owes Landlord an amount in excess of what was indicated in Real Estate Taxes Expense Statement, then District shall pay the amount of such excess to Landlord as Additional Rent with the next installment of Annual Rental due hereunder. Notwithstanding further anything herein to the contrary, if District does not notify Landlord in writing of any objection to an annual Real Estate Taxes Expense Statement within one hundred eighty (180) days after receipt thereof, then District shall be deemed to have waived any such objection and shall have no right to audit such statement pursuant to this Section 7.5(f), provided, however, that no such waiver shall limit any statutory rights relating to the False Claims Provisions or any cause of action or investigation conducted pursuant thereto.

8. ALTERATIONS

8.1 Except as provided herein, during the Lease Term, District may make Alterations to the Premises without the consent or approval of Landlord. Notwithstanding the forgoing, District shall not make or permit anyone to make Alterations to the Base Building Conditions,

Am

Building Structures and Systems, the Building exterior or the Land without the prior written consent of Landlord, which consent may be withheld in Landlord's sole discretion. All Alterations commenced at the election of the District shall be constructed at District's sole expense, in compliance with applicable Laws and lien free. Prior to commencing any alterations or improvements or promptly upon completion thereof, District shall provide to Landlord, as reasonably requested by Landlord, lien waivers in a form reasonably acceptable to Landlord from all contractors and subcontractors. District shall not permit any mechanic's lien to be filed against the Premises or any part thereof, for work claimed to have been done for or materials claimed to have been furnished to District. Landlord shall not be liable for any and all claims, losses, expenses, and damages resulting from or arising out of any Alterations by District.

8.2 If any Alterations are made without the prior written consent of Landlord in violation of Section 8.1 above, Landlord shall have the right to require District to restore the Premises to their condition immediately prior thereto at the District's sole cost and expense. All Alterations to the Premises or the Building made by either party shall immediately become the property of Landlord and shall remain upon and be surrendered with the Premises as a part thereof at the expiration or earlier termination of the Lease Term, except that District shall be required to remove any Alterations that Landlord requires District to remove as a condition of its consent to the installation of such Alterations under Section 8.1; provided, however, District shall have the right to remove, prior to the expiration or earlier termination of the Lease Term, all movable furniture (including systems furniture),

furnishings and equipment installed in the Premises solely at the expense of District

9. MAINTENANCE AND REPAIRS

9.1 Other than elements of the Base Building Conditions within the Premises, District, at District's sole cost and expense, subject to the limitations of Section 27.1 of this Lease, shall make all repairs, perform all maintenance, and make all replacements in and to the Premises that District determines in its reasonable discretion are necessary or desirable to keep the Premises in good condition and repair and in a clean, safe and tenantable condition. For the avoidance of doubt, Landlord shall not be responsible for any repairs, maintenance or replacements with respect to the Premises.

9.2 Except as otherwise provided in Section 16, Landlord shall have no obligation or liability with respect to any injury, breakage and damage to the Premises (including all Base Building Conditions and Building Structures and Systems) during the Term from any cause whatsoever other than the gross negligence or willful misconduct of Landlord. The District may repair any such injury, breakage or damage at District's expense, provided that repairs to Base Building Conditions, Building Structures and Systems, the Building Exterior and the Land shall be subject to Landlord's prior consent, which shall not be unreasonably withheld, conditioned or delayed. The District shall give Landlord prompt written notice of any defects or damage to the structure of, or equipment or fixtures in the Premises or any part thereof.

9.3 Intentionally Omitted.

9.4 District shall ensure that the Premises will be managed, operated and maintained in accordance with comparable

standards of quality followed in comparable class facilities in Washington, D.C. and in full compliance with all applicable Laws (including, but not limited to, codes for electrical, mechanical, plumbing, fire and fire safety). For the avoidance of doubt, Landlord shall not be responsible for any repairs, maintenance or replacements required to maintain compliance with Laws.

9.5 Except as set forth in Section 9.2 and in the final sentence of this Section 9.5, neither Landlord nor District shall have any obligation to maintain, repair and/or replace any Base Building Conditions or Building Structures and Systems or make any other capital repairs or replacements to the Premises (including any maintenance, repair or replacement required to maintain compliance with Laws). If District desires to undertake any such maintenance, repairs or replacements, it may do so, at its sole cost and expense, but subject to Landlord's prior consent. If Landlord desires to undertake any such maintenance, repairs or replacements, it may do so, at its sole cost and expense, provided that such undertakings by Landlord shall not unreasonably interfere with District's use and occupancy of the Premises. Notwithstanding the foregoing, if any applicable governmental agency notifies Landlord or District that any condition of the Premises, caused solely by District before or after the Effective Date of this Lease, violates any Laws so as to require any capital improvements thereto, District shall take such action, at its sole cost and expense and subject to Section 27.1 of this Lease, as is necessary to comply with such governmental agency's directive or otherwise alleviate such governmental agency's concerns (subject in all events to Landlord's prior approval). For the avoidance of doubt, Landlord shall not be responsible for any repairs, maintenance or

replacements required to maintain compliance with Laws.

10. SIGNS

District shall be responsible, at its sole cost and expense, for all suite entry signage. District shall also be entitled to use of the Building directory, and the directory and the listings thereon shall be provided by the District. Excepting signage installed by Landlord, District shall be responsible for the maintenance, repair and replacement of all exterior mounted building signage at its sole cost and expense. Any new or altered exterior signage of the District shall be subject to Landlord's prior approval. Landlord shall have the right to install additional exterior signage of a type and scale typically found on downtown Washington, D.C. office buildings or development projects upon prior written notice to the District and subject to all applicable legal requirements for signage, provided that Landlord shall be responsible for the maintenance, repair and replacement of all such signage at its sole cost and expense.

11. SERVICES AND UTILITIES

The District shall be responsible, at its sole cost and expense, subject to Section 27.1 of this Lease, for (i) the management of the Premises in accordance with comparable buildings in the metropolitan Washington, D.C. area, (ii) the provision of all utilities to Premises, including without limitation electricity, water, sewage and gas and (iii) the provision of all services to the Premises, including without limitation all janitor and cleaning services, trash removal, snow removal, pest control, HVAC (including repair and maintenance), lighting (including bulb replacement), security (including all personnel, security systems and access

control systems), fire protection systems and other life safety systems, garage operations and management, elevator service (including repair and maintenance), telecommunications systems and services (including all installation and cabling services) and landscaping services, all of which services provided by District shall be provided in accordance with comparable buildings in the metropolitan Washington, D.C. area. For the avoidance of doubt, Landlord shall have no obligation to provide any services or utilities to District or the Premises.

12. INTERRUPTION OF SERVICES.

District agrees that Landlord shall not be liable, by abatement of Rent or otherwise, for any interruption of any service, failure to furnish any service, delay in furnishing any service, or surge or diminution thereof.

13. INSPECTION

13.1 Subject to District's reasonable security requirements and upon reasonable prior notice, District shall permit Landlord, its agents and representatives, and the holder of any mortgage, to enter the Premises without charge therefor and without diminution of the rent payable by District in order to examine, inspect or protect the Premises; to make such alterations and/or repairs to the Base Building Conditions and Building Structures and Systems as in the judgment of Landlord may be deemed necessary or desirable; or to exhibit the same to brokers, prospective tenants, lenders, investors and purchasers. Landlord shall endeavor to minimize disruption to District's normal business operations in the Premises in connection with any such entry. In no event may Landlord interrupt, delay or disrupt any normal business operations without

reasonable, prior notice to District of its intent to do so.

14. INSURANCE

14.1 Landlord shall carry and maintain all-risk property insurance (with 100% replacement cost coverage with an agreed amount endorsement) covering the Building and Landlord's property therein in an amount required by its insurance company to avoid the application of any coinsurance provision. Such insurance shall name the District as an additional named insured and include extended coverage, agreed amount and other endorsements of the kinds normally required by institutional lenders and that permit insurance proceeds to be used by Landlord or District for the repair and restoration of the Building. Landlord also agrees to carry and maintain commercial general liability insurance. Such insurance shall also include the District as an additional named insured and include public liability and broad form property damage, with a minimum combined single limit of liability in the amount of \$1,000,000 for personal injuries or deaths of persons occurring in or about the Building. Landlord may elect to carry such other additional insurance or higher limits as it reasonably deems appropriate. District acknowledges that Landlord shall not carry insurance on, and, except to the extent resulting from the gross negligence or willful misconduct of Landlord, shall not be responsible for damage to, personal property or District's improvements to the Premises which do not constitute Base Building Conditions and that Landlord shall not carry insurance against, or be responsible for any loss suffered by District due to interruption of District's business.

14.2 Landlord acknowledges that District is a self-insurer and does not maintain policies of contractual and general

liability insurance. Subject to the limitations of Section 27.1 of this Lease, District shall be liable for its own acts, omissions, negligence and willful misconduct and the acts, omissions, negligence and willful misconduct of the District or any District Representative or any contractor, vendor or invitee of the District.

14.3 Except to the extent arising from the negligence or willful misconduct of District or any District Representative or any contractor or vendor of District or any invitee of District, Landlord hereby indemnifies and agrees to defend and hold the District harmless from claims for personal injury, death or property damage to the extent caused by the negligence or willful misconduct of Landlord, Landlord's Representatives, and Landlords' contractors or invitees.

14.4 Landlord shall deliver to District, ten (10) days prior to the Lease Commencement Date and periodically thereafter during the Lease Term, certificates issued by each carrier furnishing a policy of insurance hereunder showing that the coverages required hereunder are in force with premiums paid and that such policies are noncancellable and may not be materially modified except upon thirty (30) days prior notice to District. All insurance required hereunder shall be purchased from carriers authorized to do business in the District of Columbia and possessing an A- or better policyholders' rating and a minimum Class VIII financial size category as listed at the time of issuance by A.M. Best Insurance Reports or a similar rating publication.

14.5 All insurance policies against loss or damage to property and business interruption or rent loss shall be endorsed to provide that any release from liability of, or waiver of claim for recovery from, another

person entered into in writing by the insured thereunder prior to any loss or damage shall not affect the validity of such policy or the right of the insured to recover thereunder. Such policies shall also provide that the insurer waives all rights of subrogation that such insurer might have against such other person. Landlord and District hereby waive all claims for recovery from or against the other for any loss or damage to any of its property or damages as a result of business interruption or rent loss insured under a valid policy to the extent of any recovery collected under such policies.

14.6 Throughout the Lease Term, the costs of the insurance coverage required by this Section 14 ("**Insurance Costs**") shall be paid by the District as Additional Rent to Landlord within thirty (30) days of the District's receipt of a copy of the paid invoice(s) therefor.

15. LIABILITY OF LANDLORD AND TENANT

15.1 Except as otherwise expressly provided in this Lease, Landlord and Landlord's Representatives shall not be liable to District or District's Agents for any damage, injury, loss or claim based on or arising out of any fire, robbery, theft, vandalism, mysterious disappearance or any other casualty; actions of any other person or entity; or failure or inability to furnish any service specified in this Lease, unless such liability arises from the gross negligence or willful misconduct of Landlord or Landlord's Representatives.

15.2 The District and District's Agents shall not be liable to Landlord or Landlord's Representatives, for any damage, injury, loss or claim based on or arising out of any cause whatsoever to the extent such damage, injury, loss or claim is (i) covered by Landlord's insurance or would be

covered by Landlord's insurance if such insurance was maintained in accordance with the requirements of this Lease; or (ii) is due to Landlord's gross negligence or willful misconduct. Under no circumstance shall District or Landlord (or their respective Agents or Representatives) be liable to the other for any exemplary, punitive, consequential or indirect damages in connection with, arising under or relating to this Lease, provided, however, that this limitation shall not apply with regard to any claim arising under the False Claims Provisions.

15.3 Subject to the False Claims Provisions, no landlord hereunder shall be liable for any obligation or liability based on or arising out of any event or condition occurring either prior to or after the period that such landlord held an ownership interest in the Premises. Notwithstanding the foregoing, any landlord during its period of ownership interest shall be obligated to cure any non-monetary Event of Default continuing at the time such landlord obtained its ownership interest in the Premises.

16. DAMAGE OR DESTRUCTION

If the Premises are totally or partially damaged or destroyed, then both District and Landlord (i) shall have the right, but not the obligation, to repair and restore the Premises and (ii) may make use of available insurance proceeds in doing so. Notwithstanding the foregoing, if in either party's reasonable judgment the repair or restoration following a casualty cannot be completed within one hundred eighty (180) days after the date of the damage or destruction (taking into account the time needed for effecting a satisfactory settlement with an insurance company, removal of debris, preparation of plans and issuance of all governmental permits), then such party

shall have the right to cancel this Lease on ninety (90) days prior written notice to Landlord given within thirty (30) days following any such casualty. Except as set forth in the immediately preceding sentence, neither Landlord nor District shall have the right to cancel this Lease following any casualty. In no event shall there be any abatement of Rent as a result of any casualty, provided that the District's obligation to pay Rent shall terminate concurrently with any termination of the Lease in accordance with this Paragraph. Notwithstanding anything to the contrary contained herein, if District continues to occupy the Premises or a portion thereof following the partial damage or destruction of the Premises, and a governmental entity requires any repair or restoration of the Premises to accommodate such occupancy, then District shall be obligated to perform such repair or restoration only to the extent that insurance proceeds are available to do so. If the Premises or any part thereof shall be damaged or destroyed, District shall provide prompt notice thereof to Landlord. In the event District undertakes any repairs or restoration pursuant to this Section 16, Landlord shall advance available insurance proceeds to District as such repairs and restoration are completed in accordance with normal and customary conditions for construction progress payments, including without limitation the receipt by Landlord of invoices, payment applications and lien waivers from contractors. For the avoidance of doubt, in no event shall Landlord be obligated to perform, or be liable for the costs of performing, any repairs or restorations following any casualty.

17. CONDEMNATION

17.1 If all of the Premises, or the use or occupancy thereof, shall be taken or condemned by any governmental or quasi-governmental authority for any public or



quasi-public use or purpose or sold under threat of such a taking or condemnation (collectively, "condemned"), then this Lease shall terminate on the day prior to the date title thereto vests in such authority and rent shall be apportioned as of such date. If less than all of the Premises or occupancy thereof is condemned, then this Lease shall continue in full force and effect as to the part of the Premises not so condemned; provided, however, that if a partial condemnation, in the District's reasonable determination, renders the Premises inaccessible or the majority thereof unusable for the normal conduct of District's operations then conducted on the Premises, the District shall have the right to cancel this Lease on ninety (90) days prior written notice to Landlord given within thirty (30) days following the partial condemnation. Following a partial condemnation, as of the date title vests in the condemning authority, District shall not be required to pay Annual Rental with respect to the part of the Premises so condemned.

17.2 Landlord reserves all rights to any award paid because of any taking of the Premises. District assigns to Landlord any right District may have to such award. Further, District shall make no claims against Landlord or the condemning authority for damages. Notwithstanding the foregoing, the District may claim and recover from the condemning authority a separate award for the District's moving expenses, business dislocation damages, the District's personal property and fixtures, or the unamortized costs of leasehold improvements paid for by District. Each party shall seek its own award, as limited above, at its own expense.

18. DEFAULT

18.1 District Default.

(a) It shall be a District default ("**District Default**") hereunder if District fails to (i) pay Rent or any other amount owed hereunder within ten (10) business days after the date the District receives written notice thereof from Landlord stating that any such amount is past due or (ii) perform or observe any non-monetary obligation of the District under this Lease within thirty (30) days after the date the District receives written notice from Landlord setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision requiring such obligation to be performed, or within such longer period of time as may be necessary for such cure so long as the District shall promptly commence and thereafter diligently prosecute to completion the curing thereof but no later than one hundred twenty (120) days from the date of the notice, (iii) any sublease or assignment not permitted by Section 21 shall occur, or (iv) District abandons the Premises. It is specifically understood and agreed that a failure to obtain appropriated funds in accordance with Section 27.1 shall not constitute a District Default .

(b) Upon the occurrence of a District Default, Landlord may seek: (i) in the case of a monetary District Default all remedies available to it under the Quick Payment Act, D.C. Code § 2-221.01 *et seq*, and otherwise at law and equity, including termination and possession; or (ii) in the case of any other District Default, all remedies available at law and equity. In accordance with Section 27.1, any deficiency in Annual Rental shall not exceed the amount of funds actually appropriated and lawfully available at the time of the occurrence of a District Default.

(c) If Landlord shall institute proceedings against District and a compromise or settlement with respect to the

subject of such proceedings shall be made, then such compromise or settlement shall not constitute a waiver of any other covenant, condition or agreement set forth herein, nor of any of Landlord's rights hereunder, unless expressly agreed by Landlord and District. Neither the payment by District of a lesser amount than the amount of Rent due hereunder nor any endorsement or statement on any check or letter accompanying a check for payment of rent or other sums payable hereunder shall be deemed an accord and satisfaction. Landlord may accept the same without prejudice to Landlord's right to recover the balance of such rent or other sums or to pursue any other remedy. Notwithstanding any request or designation by District, Landlord may apply any payment received from District to any payment then due. No re-entry by Landlord, and no acceptance by Landlord of keys from District, shall be considered an acceptance of a surrender of this Lease.

18.2 Landlord Default.

(a) It shall be a Landlord default ("**Landlord Default**") hereunder if Landlord fails to perform or observe any of its obligations under this Lease after a period of thirty (30) days from the date Landlord receives written notice thereof from District setting forth in reasonable detail the nature and extent of the failure and identifying the applicable Lease provision requiring such obligation to be performed; provided, however, that Landlord shall not have committed a Landlord Default if such failure is of a type and nature that cannot reasonably be cured within such thirty (30) day period, so long as Landlord promptly commences the curing of such failure within such thirty (30) day period and thereafter diligently prosecutes to completion the curing of such failure but no later than one

hundred twenty (120) days from the date of the notice.

(b) Upon the occurrence of a Landlord Default, the District, subject to the terms of this Lease, may pursue any remedies available to it at law or equity upon thirty (30) days' prior notice to Landlord.

(c) Neither the availability of insurance proceeds under Section 14 nor any provision in Section 23 shall be interpreted to deprive District of its right to be awarded specific performance or an injunction in an action brought to enforce any of its rights under this Lease. Furthermore, nothing in Section 14 shall be interpreted as limiting any remedy District may have pursuant to the False Claim Provisions, as the District is not authorized to limit such authority or remedy.

19. SUBORDINATION

19.1 This Lease shall be subject and subordinate to the lien, provisions, operation and effect of all mortgages, deeds of trust, ground leases or other security instruments that may now or hereafter encumber the Premises (collectively, "Mortgages"), to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof, provided that any subordination to any future or present Mortgage is conditioned upon receipt and execution by District of a commercially reasonable subordination, non-disturbance and attornment agreement ("SNDA") in accordance with Section 19.3.

19.2 Within thirty (30) business days after Landlord receives written notice that District has executed this Lease, Landlord shall deliver to District an SNDA form from Landlord's primary mortgagee



substantially in the form attached hereto as Exhibit A, subject to commercially reasonable changes required by Landlord's mortgagee.

19.3 Within thirty (30) business days after District receives Landlord's form of SNDA, as aforesaid, District shall deliver to Landlord the executed SNDA, which shall not modify or change the terms of this Lease. With regard to an SNDA with any future mortgagee, District shall execute an SNDA in substantially the form attached hereto as Exhibit A (subject to commercially reasonable changes required by such future mortgagee), provided that such SNDA shall not modify or change the terms of this Lease and any future mortgagee agrees that, so long as District is not in default under this Lease, District's leasehold estate, use, possession, tenancy, rights, options, and occupancy under the Lease shall remain undisturbed and shall survive foreclosure or similar action.

20. ESTOPPEL CERTIFICATE

Within thirty (30) business days' of receipt of Landlord's written request, District and each subtenant, assignee, or licensee of District shall execute and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement ("**Certificate**") certifying: (a) that this Lease is unmodified and in full force and effect (or if there have been modifications, that this Lease is in full force and effect as modified and stating the modifications); (b) the dates to which the rent and any other charges have been paid; (c) whether or not, to District's actual knowledge, Landlord is in default in the performance of any obligation, and if so, specifying the nature of such default; (d) the address to which notices to District are to be sent; (e) that District has accepted the Premises and that all work thereto (if any)

has been completed (or if such work has not been completed, specifying the incomplete work); (f) that statements contained in the Certificate are based solely upon a reasonably diligent review of the District's Lease file as of the date of the issuance of the Certificate; (g) that Landlord, and/or such other person or entity designated by Landlord to receive the Certificate, are deemed to have constructive notice of such facts as would be reasonably ascertainable by an inspection of the Premises or by reasonable inquiry to appropriate District officials; (h) that the Certificate shall not be deemed to be a representation or warranty by the District that the Premises comply with any Laws or of the condition of, or the absence of, any defects in the Premises (or any portion thereof; and (i) such other factual matters as Landlord may reasonably request, in all cases substantially in the form of DC DGS Form A-102.

21. ASSIGNMENT AND SUBLETTING

21.1 District shall not assign, transfer or otherwise encumber (collectively, "**assign**") this Lease or all or any of District's rights hereunder or interest herein, or sublet or permit anyone to use or occupy (collectively, "**sublet**") the Premises or any part thereof, without obtaining the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed in the case of a sublease. No assignment or right of occupancy hereunder may be effectuated by operation of law or otherwise without the prior written consent of Landlord. Provided, however, that it is specifically understood and agreed that District's substitution of another agency pursuant to Section 3.1 shall not constitute an assignment or subletting under this Section.

21.2 District shall deliver to Landlord a fully-executed copy of each agreement evidencing a sublease, assignment or mortgage, and Landlord's consent thereto, within ten (10) days after execution thereof.

21.3 All restrictions and obligations imposed pursuant to this Lease on District shall be deemed to extend to any subtenant, assignee, licensee, or transferee, and District shall cause such person to comply with such restrictions and obligations. Any assignee shall be deemed to have assumed obligations as if such assignee had originally executed this Lease and at Landlord's request shall execute promptly a document confirming such assumption. Notwithstanding the foregoing, the provisions set forth in Section 27 shall not apply to the extent an assignee is not subject to the provisions set forth therein. In the event of any assignment whereby District would be released from further liability under this Lease, before Landlord gives its consent thereto, Landlord shall have the right to obtain and review pertinent financial and business records of the proposed assignee to determine whether to accept the liability of the proposed assignee in lieu of the District. In the event Landlord determines, in its sole discretion, not to consent to such assignment and District approves cancellation of the Lease, Landlord shall have the option to cancel this Lease and take back the Premises from District thereby releasing District from any liability hereunder arising after the date of such cancellation. Upon execution of an assignment by assignee after Landlord's consent of the assignment, District shall be released from and have no further responsibility with respect to any and all obligations, duties and responsibilities to perform under the Lease with respect to the period following the assignment. Each sublease is subject to the condition (which

condition District shall cause to be included in all subleases, including those listed on Exhibit B hereto, and which condition the District shall be responsible for enforcing) that if the Lease Term expires or is terminated or Landlord succeeds to District's interest in the Premises by voluntary surrender or otherwise, at Landlord's option (exercised in its sole discretion) (i) the subtenant shall be bound to Landlord for the balance of the term of such sublease and shall attorn to and recognize Landlord as its landlord under the then executory terms of such sublease or (ii) the sublease shall terminate.

21.4 Any rent and other consideration accruing to District as the result of any sublease or any assignment of this Lease, which is in excess of the pro rata share of Annual Rental then being paid by District for all or a portion of the Premises being sublet or assigned, shall be District's profit to keep and shall not be paid to Landlord.

21.5 Notwithstanding anything to the contrary contained herein, Landlord hereby approves the subleases listed on Exhibit B attached hereto, true and correct copies of which have been provided to Landlord by District. Said subleases shall be subject to the provisions of this Section 21, including without limitation the final sentence of Section 21.3.

22. HOLDING OVER

If District (or anyone claiming through District, including without limitation any subtenant) does not immediately surrender the Premises or any portion thereof upon the expiration or earlier termination of the Lease Term, time being of the essence, then the Annual Rental payable by District hereunder shall be increased to one hundred fifty percent (150%) of the



Annual Rental payable by District during the month immediately preceding such holdover period. The increased Annual Rental shall apply to each month or partial month during the holdover period. Such Annual Rental shall be computed by Landlord and paid by District on a monthly basis in arrears and shall be payable on the first day of the second month of such holdover period and the first day of each calendar month in arrears thereafter during such holdover period until the Premises have been vacated. District's obligations during any such holdover period shall remain subject to the limitations set forth in Section 27.1 and any limitations imposed pursuant to D.C. Official Code § 1-204.51 and all other applicable Laws. Notwithstanding the foregoing provisions of this Section 22, in the event that District shall hold over after the expiration of the Lease Term, such holding over shall be a District Default, and Landlord may exercise any and all other rights and remedies available to Landlord under this Lease, at law or in equity.

23. COVENANTS OF LANDLORD

23.1 Landlord represents and warrants that it has the right and authority to enter into this Lease and perform all obligations of Landlord hereunder. Landlord further covenants that, subject to the provisions of this Lease, District shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance by Landlord or Landlord's Agents.

23.2 Intentionally Omitted

24. BROKERS, AGENTS

24.1 District acknowledges that neither Landlord nor any broker, agent or employee of Landlord has made any representation or promise with respect to the

Premises except as herein expressly set forth, and no right, privilege, easement or license is being acquired by District except as herein expressly set forth.

24.2 Nothing contained in this Lease shall be construed as creating any relationship between Landlord and District other than that of landlord and tenant.

24.3 District and Landlord each warrants and represents that it has not procured the services of any broker for brokerage services related to the procuring of this Lease.

25. GENERAL PROVISIONS

25.1 Waiver of Jury Trial. LANDLORD AND DISTRICT EACH WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING, CLAIM OR COUNTERCLAIM BROUGHT IN CONNECTION WITH ANY MATTER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE, THE RELATIONSHIP OF LANDLORD AND DISTRICT HEREUNDER, DISTRICT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE. LANDLORD AND DISTRICT EACH WAIVES ANY OBJECTION TO THE VENUE OF ANY ACTION FILED IN ANY COURT SITUATED IN THE JURISDICTION IN WHICH THE BUILDING IS LOCATED, AND WAIVES ANY RIGHT, CLAIM OR POWER, UNDER THE DOCTRINE OF FORUM NON CONVENIENS OR OTHERWISE, TO TRANSFER ANY SUCH ACTION TO ANY OTHER COURT.

25.2 Service of Notices. All notices or other communications required under this Lease shall be in writing and shall be deemed duly given and received when

delivered in person (with receipt therefor), on the next business day after deposit with an established, overnight delivery service, or on the third (3rd) business day after being sent by certified or registered mail, return receipt requested, postage prepaid. Landlord's and District's initial address for sending notices hereunder are set forth in Sections 4(a) and 4(b) on DC DGS Form L-100. Any notice asserting a District Default shall be copied to the Office of the Attorney General for the District of Columbia as set forth in Section 4(b) on DC DGS Form L-100. Either party may change its address for the giving of notices by notice given in accordance with this Section.

25.3 Severability. Each provision of this Lease shall be valid and enforceable to the fullest extent permitted by Laws. If any provision of this Lease or the application thereof to any person or circumstance shall to any extent be invalid or unenforceable, then such provision shall be deemed to be replaced by the valid and enforceable provision most substantively similar to such invalid or unenforceable provision, and the remainder of this Lease and the application of such provision to persons or circumstances other than those as to which it is invalid or unenforceable shall not be affected thereby. Nothing contained in this Lease shall be construed as permitting Landlord to charge or receive interest in excess of the maximum rate allowed by Laws.

25.4 Pronouns. Feminine, masculine or neuter pronouns shall be substituted for those of another form, and the plural or singular shall be substituted for the other number, in any place in which the context may require such substitution.

25.5 Headings. Headings are used for convenience and shall not be considered when construing this Lease.

25.6 Successors. The provisions of this Lease shall be binding upon and inure to the benefit of the parties and each of their respective representatives, successors and assigns, subject to the provisions herein restricting assignment or subletting.

25.7 Integration. This Lease contains and embodies the entire agreement of the parties hereto and supersedes all prior agreements, negotiations, letters of intent, proposals, representations, warranties, understandings, suggestions and discussions, whether written or oral, between the parties hereto. Any representation, inducement, warranty, understanding or agreement that is not expressly set forth in this Lease shall be of no force or effect. This Lease includes and incorporates all schedules, forms, exhibits, or other documents specified in Section 3 on DC DGS Form L-100. Notwithstanding anything to the contrary in this Section, any provisions of the Exchange Agreement that survive closing thereunder and the provisions of all other documents executed by Landlord and District at or following closing under the Exchange Agreement shall remain in full force and effect to the extent set forth in the Exchange Agreement or such other documents, as applicable.

25.8 Governing Law. This Lease shall be governed by the laws of the District of Columbia, without regard to the application of choice of law principles. There shall be no presumption that this Lease be construed more strictly against the party who itself or through its agent prepared it (it being agreed that all parties hereto have participated in the preparation of this Lease and that each party had the opportunity to consult legal counsel before the execution of this Lease). No custom or practice that may evolve between the parties in the administration of the terms of this Lease shall be construed to waive either



party's right to insist on the other party's strict performance of the terms of this Lease.

25.9 Amendments. This Lease may be modified or changed in any manner only by an instrument signed by both parties and approved for legal sufficiency by the Office of the Attorney General for the District of Columbia.

25.10 Time is of the Essence. Time is of the essence with respect to each of District's and Landlord's obligations hereunder.

25.11 Counterparts. This Lease may be executed in multiple counterparts, each of which shall be deemed an original and all of which together constitute one and the same document.

25.12 No Recordation. Neither this Lease nor a memorandum thereof shall be recorded.

25.13 Federally Prohibited Persons. Neither Landlord nor any person owning any interest in Landlord has engaged in any dealings or transactions (i) in contravention of the applicable money laundering laws or regulations or conventions of the United States or (ii) in contravention of Executive Order No. 13224 dated September 24, 2001 issued by the President of the United States (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism), as may be amended or supplemented from time-to-time or any published terrorist or watch list that may exist from time-to-time. Neither Landlord nor any person owning any interest in Landlord: (a) is or will be conducting any business or engaging in any transaction with any person appearing on the list maintained by the U.S. Treasury Department's Office of Foreign Assets Control list located at 31

C.F.R., Chapter V, Appendix A, or (b) is a person described in Section 1 of the Anti-Terrorism Order.

25.14 Survival. Subject to applicable Laws (including the limitations set forth in Section 27.1), District's liabilities and obligations with respect to the period prior to the expiration or earlier termination of the Lease Term shall survive such expiration or earlier termination.

25.15 Force Majeure. Unless specifically provided otherwise, if Landlord or District is in any way delayed or prevented from performing any of its obligations under this Lease (other than payment obligations) due to a Force Majeure Event, then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay, interruption or prevention. The foregoing shall not serve to excuse District's payment of Rent when due under this Lease.

25.16 Review. A Party's review, approval and consent powers (including the right to review plans and specifications), if any, are for such Party's benefit only. Such review, approval or consent (or conditions imposed in connection therewith) shall be deemed not to constitute a representation concerning legality, safety, or any other matter.

25.17 Meaning of Deleted Text. The deletion of any printed, typed or other portion of this Lease shall not evidence the parties' intention to contradict such deleted portion. Such deleted portion shall be deemed not to have been inserted in this Lease.

25.18 Delivery of Keys upon Termination. At the expiration or earlier termination of the Lease Term, District shall

deliver to Landlord all keys and security cards to the Premises, whether such keys were furnished by Landlord or otherwise procured by District, and shall inform Landlord of the combination of each lock, safe and vault, if any, in the Premises.

25.19 Intentionally Omitted.

26. ASBESTOS CERTIFICATION.

26.1 Certification. District acknowledges that Landlord is making no representation or warranty regarding the presence of asbestos at the Premises. If any asbestos inspection is conducted by District or Landlord, the conducting party shall furnish a copy thereof to the other party within ten (10) days following receipt of the inspection report. The D.C. Office of Occupational Safety and Health is authorized to conduct a visual inspection of the Premises at any time after the date hereof and during the Term.

26.2 Inspection and Abatement. Upon discovery by Landlord or District or upon notice to Landlord or District by any person of the presence of suspected asbestos containing materials in the Building in violation of any applicable Laws, District shall promptly, at its sole cost, have the relevant portion of the Building inspected by a firm licensed to perform asbestos inspections. Promptly after receipt by District of the written report of such finding, District shall deliver to Landlord a copy thereof. District, at its sole cost and expense, subject to the limitations of Section 27.1 of this Lease, and without any abatement of rent or other cost or expense to Landlord, shall cause any asbestos containing materials placed on the Premises by District before or after the Lease Commencement Date, noted in such report, to be removed, contained or otherwise brought into compliance with all applicable

Laws. Prior to commencement of any abatement action, District shall consult with Landlord and receive approval of Landlord. If District fails promptly to commence and diligently pursue removal, containment or other compliance procedures with respect to the asbestos containing materials after notice to Landlord of the same, Landlord, after giving District five (5) days' notice, may perform such work at District's expense, which expense, in a reasonable amount, shall be reimbursed to Landlord within thirty (30) days after receipt of an invoice therefor.

26.3 Insurance. Provided such coverage is available at commercially reasonable rates (as determined in Landlord's reasonable discretion), at all times during the Lease Term, Landlord agrees to maintain, and furnish to District evidence of liability insurance coverage as prescribed in Section 14 of this Lease without any provision or endorsement excluding coverage for asbestos-related conditions.

27. SPECIFIC DISTRICT OF COLUMBIA LAWS

27.1 ANTI-DEFICIENCY LIMITATIONS. The following limitations exist as to each and every purported obligation of District set forth in this Lease, whether or not expressly conditioned:

(a) The obligations of the District to fulfill financial obligations pursuant to this Lease or any subsequent agreement entered into pursuant to this Lease or referenced herein (to which the District is a party) are and shall remain subject to the provisions of (i) the federal Anti-Deficiency Act, 31 U.S.C. §§ 1341, 1342, 1349-1351 and 1511-1519 (2004) (the "Federal ADA"), and D.C. Official Code §§ 1-206.03(e) and 47-105 (2001); (ii) the District of Columbia Anti-Deficiency Act,

D.C. Official Code §§ 47-355.01 – 355.08 (2004 Supp.) (the “D.C. ADA” and (i) and (ii) collectively, as amended from time to time, the “Anti-Deficiency Acts”); and (iii) § 446 of the District of Columbia Home Rule Act, D.C. Official Code § 1-204.46 (2001). Pursuant to the Anti-Deficiency Acts, nothing in this Lease shall create an obligation of the District in anticipation of an appropriation by Congress for such purpose, and the District’s legal liability for the payment of any Rent, or any component thereof, under this Lease shall not arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress. If no appropriation is made by Congress to pay Rent and any other amount under this Lease for any period after the fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payment under this Lease upon the expiration of any then-existing appropriation and the District shall promptly notify Landlord.

(b) The District agrees to exercise all lawful authority available to it to satisfy the financial obligations of the District that may arise under this Lease. During the Lease Term, the Mayor of the District of Columbia or other appropriate official shall, for each fiscal period, include in the budget application submitted to the Council of the District of Columbia the amount necessary to fund the District’s known potential financial obligations under this Lease for such fiscal period. In the event that a request for such appropriations is excluded from the budget approved by the Council and submitted to Congress by the President for the applicable fiscal year or if no appropriation is made by Congress to pay Rent, or any component thereof, due under this Lease for any period after the fiscal year

for which appropriations have been made, and in the event appropriated funds for such purposes are not otherwise lawfully available, the District will not be liable to make any payment under this Lease upon the expiration of any then-existing appropriation, the District shall promptly notify Landlord, and this Lease shall immediately terminate upon the expiration of any then-existing appropriation.

(c) Notwithstanding the foregoing, no officer, employee, director, member or other natural person or agent of the District shall have any personal liability in connection with the breach of the provisions of this Section or in the event of a person or persons the use of the facility, including any and all services, privileges, accommodations and activities provided under this Lease.

(d) This Lease shall not constitute an indebtedness of the District nor shall it constitute an obligation for which the District is obligated to levy or pledge any form of taxation or for which the District has levied or pledged any form of taxation. No District of Columbia Official or employee is authorized to obligate or expend any amount under this Lease unless such amount has been appropriated by Act of Congress and is lawfully available.

27.2 Nondiscrimination in Facilities.

(a) Definition. As used in this Section 27.2, “**facility**” means the Premises.

(b) No Discrimination. Landlord shall not discriminate by segregation or otherwise against any person because of race, color, religion, sex, national origin, age, marital status, personal appearance, sexual orientation, familial status, family responsibilities, disability,

matriculation, political affiliation, source of income or place of residence or business in furnishing or by refusing to furnish to such person or persons the use of the facility, including any and all services, privileges, accommodations and activities provided under this Lease.

(c) Noncompliance. Landlord's noncompliance with the provisions of this Section 27.2 shall constitute a material breach of this Lease. In the event of such noncompliance, District shall promptly provide to Landlord notice thereof, detailing with specificity Landlord's noncompliance. If Landlord does not correct such noncompliance within sixty (60) days after its receipt of such notice from the District specifying such noncompliance the District may, subject to this Section 27.2(c), pursue any remedies on account of such noncompliance as may be provided by applicable law (including any applicable regulations thereto) or in equity. In the event of termination, Landlord shall be liable for all excess costs of the District in acquiring substitute space, including without limitation the cost of moving to such space.

(d) Concession Agreements. Landlord shall include, or require the inclusion of, the foregoing provisions of this Section 27.2 (with the terms "Landlord" and "District" appropriately modified) in every agreement or concession agreement pursuant to which any persons other than Landlord operates or has the right to operate the facility. Landlord shall take such action with respect to any such agreement as the District may reasonably direct as a means of enforcing this Section 27.2, including without limitation the termination of such agreement or concession.

27.3 Nondiscrimination in Employment.

(a) Nondiscrimination. In connection with Landlord's performance of its obligations hereunder to furnish to District building services and utilities (if any), Landlord shall not discriminate against any employee or applicant for employment because of race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, disability, matriculation or political affiliation. Landlord shall take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to any of the aforementioned categories. Such action shall include without limitation the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeships. Landlord shall post in conspicuous places available to employees and applicants for employment notices to be provided by District setting forth the provisions of this non-discrimination clause.

(b) Advertisements. In all solicitations or advertisements for employees placed by or on behalf of Landlord for the performance of obligations hereunder to furnish to District building services and utilities (if any), Landlord shall state that all qualified persons will receive consideration for employment without regard to race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, family responsibilities, disability, matriculation or political affiliation.

(c) Labor Unions. Landlord shall send to each labor union or representative of workers with which Landlord has a collective bargaining agreement or other contract with respect to

the furnishing of labor a notice to be provided by the District advising such labor unions or workers' representatives of Landlord's commitments under this Section 27.3 and Landlord shall post copies of such notice in conspicuous places available to employees and applicants for employment.

(d) Books and Records. At reasonable times with appropriate notice to Landlord, Landlord shall permit District and its agents to have reasonable access to Landlord's books, records and accounts for purposes of investigation to ascertain compliance with the provisions of this Section 27.3.

(e) Noncompliance. In the event of Landlord's noncompliance with the nondiscrimination provisions of this Lease, District shall promptly provide to Landlord notice thereof, detailing with specificity Landlord's noncompliance. If Landlord does not correct such noncompliance within sixty (60) days after its receipt of such notice from District specifying such noncompliance, District may pursue any remedies on account of such noncompliance as may be provided by applicable law (including any applicable regulations thereto) or in equity.

(f) Contracts. Landlord shall insert the foregoing nondiscrimination in employment provisions in all contracts for procurement of goods and services relating to the performance of Landlord's obligations hereunder (if any), except contracts for standard commercial supplies or raw materials, unless exempted by rules, regulations or orders of District, so that such provisions will be binding upon each contractor or vendor. Landlord shall take such action with respect to any contractor or vendor as District may direct as a means of enforcing such provisions, including without limitation sanctions for noncompliance;

provided, however, that in the event Landlord becomes involved in or is threatened with litigation with a contractor or vendor as a result of such direction by District, Landlord shall give notice thereof to District and Landlord may request District to enter into such litigation to protect the interests of District.

27.4 Contingent Fees.

(a) No Contingent Fees. Landlord warrants that no person or agency has been employed or retained by Landlord to solicit or obtain this Lease upon an agreement or understanding for a contingent fee. For breach or violation of this warranty, District shall have the right in its discretion, to deduct from all items of Rent, or otherwise recover, the full amount of the contingent fee.

(b) **"Contingent fee"** means any commission, percentage, brokerage or other fee that is contingent upon the success such person or concern has in securing a lease with District.

(c) The negotiation, execution, delivery and performance of the Lease by District are not and will not be induced by, resulting from or based on improper influence. **"Improper influence"** means any influence that induces or tends to induce an employee or officer of District to give consideration or to act regarding a lease with District on any basis other than on the merits of the matter or in violation of any Laws or regulation regarding the acquisition by District of a leasehold interest.

27.5 Authority of District. Subject to the provisions set forth in Section 27.1, by executing this Lease the District represents to Landlord that: (i) it is authorized to enter into, execute and deliver this Lease and perform the obligations hereunder; (ii) this

Lease is effective and enforceable against the District in accordance with its terms; (iii) the person signing on the District's behalf is duly authorized to execute this Lease; and (iv) no other signatures or approvals are necessary in order to make all of the representations of the District contained in this Section 27.5 true and correct, provided that the Council of the District of Columbia shall have first approved the Lease in accordance with D.C. Official Code § 1-204.51(b) and D.C. Official Code § 10-1008.

27.6 False Claims Provisions.
Notwithstanding any provision to the contrary in this Lease, all Real Estate Tax Expense Statements and all other demands for payment or reimbursement under this Lease shall be subject to False Claims Provisions.



EXHIBIT A
Form of SNDA

[see attached]

AS



DISTRICT OF COLUMBIA DEPARTMENT OF GENERAL SERVICES FORM OF SUBORDINATION, NONDISTURBANCE, AND ATTORNMENT AGREEMENT	IN RESPONSE TO RFP / LEASE NO	DATED
----------------------------------------------------------------------------------------------------------------------------------------------------------	-------------------------------	-------

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this “**Agreement**”), made this ____ day of _____, 20__ (“**Effective Date**”), by and between [INSERT NAME OF LENDER], a [INSERT TYPE OF ENTITY], (“**Lender**”), [INSERT NAME OF LANDLORD], a [INSERT TYPE OF ENTITY] (“**Landlord**”) and the DISTRICT OF COLUMBIA, a municipal corporation, acting through its Office of Property Management (“**Tenant**”).

RECITALS:

WHEREAS, the improved real property located at [INSERT ADDRESS] in Washington, DC is known for tax and assessment purposes as Lot [INSERT] in Square [INSERT], as more particularly described in Exhibit A attached hereto (“**Property**”); and

WHEREAS, the Property is subject to a lease between Landlord and Tenant dated as of [INSERT DATE] (the “**Lease**”), wherein Prior Owner demised to Tenant a portion of the Property comprised of approximately [INSERT SQUARE FOOTAGE] square feet (“**Tenant’s Premises**”); and

WHEREAS, Tenant has requested that Landlord agree to recognize the Lease and the parties’ relative rights and obligations contained therein; and

WHEREAS, Lender has agreed to grant a loan to Landlord (the “**Loan**”) that will be secured by a first deed of trust or mortgage on the Property, including the Tenant’s Premises (the “**Mortgage**”), by an assignment of Landlord’s interest in all leases, rents, profits and contracts for such property (the “**Assignment of Leases**”) and other documents executed or to be executed in connection therewith; and

WHEREAS, Tenant has requested that Lender agree not to disturb Tenant’s possessory rights in the Tenant’s Premises if Lender should foreclose its Mortgage, provided that Tenant is not in default under the Lease and further provided that Tenant attorns to Lender or the purchaser at any foreclosure sale or to any party who takes a deed in lieu of foreclosure; and



WHEREAS, Landlord and Lender are willing so to agree on the terms and conditions hereafter provided.

NOW THEREFORE, in consideration of the mutual promises herein contained, to induce Lender to make the Loan and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord, Tenant and Lender covenant and agree as follows:

1. Definitions. For purposes of this Agreement, the following terms shall have the meanings below:
 - 1.1 A "Foreclosure Event" means (a) foreclosure under the Mortgage; (b) any other exercise by Lender of rights and remedies (whether under the Mortgage or under applicable law, including bankruptcy law) as holder of the Mortgage, as a result of which Successor Landlord becomes owner of the Property or (c) delivery by Landlord to Lender of a deed or other conveyance of Landlord's interest in the Property in lieu of any of the foregoing.
 - 1.2 "Former Landlord" means Prior Landlord, Landlord and any other party that was landlord under the Lease at any time before the occurrence of any attornment under this Agreement.
 - 1.3 "Rent" means any fixed rent, base rent or additional rent under the Lease.
 - 1.4 "Successor Landlord" means any party that becomes owner of the Property as a result of a Foreclosure Event.
2. Landlord's Acknowledgment. Landlord hereby acknowledges the Lease and Tenant's possessory rights in the Tenant's Premises and expressly agrees to assume all obligations as landlord thereunder.
3. Subordination of Lease. As of the Effective Date, the Lease and Tenant's leasehold estate created thereby, including all rights under the Lease, shall be subject and subordinate to the lien of the Mortgage and to all the terms, conditions and provisions thereof, and to all advances made to or to be made under the Mortgage.
4. Nondisturbance. As of the Effective Date, Lender is the sole and exclusive holder of the Mortgage and the promissory note secured thereunder. Neither Lender nor any Successor Landlord shall disturb Tenant's possession of Tenant's Premises under the Lease so long as Tenant is not in default (beyond applicable notice and cure periods) under any of the terms, covenants or conditions of the Lease. Further, Successor Landlord shall be bound to Tenant under all the terms and conditions of the Lease, except as otherwise provided in this Agreement.