

**BOARD OF TRUSTEES
UNIVERSITY OF THE DISTRICT OF COLUMBIA
UDC RESOLUTION NO-_____**

**SUBJECT: LEASE UNIVERSITY RETAIL SPACE FOR USE BY CLEVELAND
PARK LIBRARY**

WHEREAS, pursuant to D.C. Code § 38-1202.01 (a) (2001 ed.), the Board of Trustees possesses all powers necessary or convenient to accomplish its statutorily prescribed objects and duties, including the power to make, deliver, and receive deeds, leases and other instruments and to take title to real and other property in its own name; and

WHEREAS, pursuant to 8B DCMR §2100.1, the President of the University, subject to Board approval, is authorized to enter into real estate lease agreements with any person, partnership, corporation, or other entity; and

WHEREAS, pursuant to 8B DCMR §2101.1 the President of the University, subject to the approval of the Board of Trustees, is authorized and empowered to rent any building or land belonging to the University or under jurisdiction of the President, or any available space therein, whenever such building, land or space is not then required for the purpose for which it was acquired; and

WHEREAS, the retail space proposed to be occupied by the Cleveland Park Library is not required for any other purpose during the proposed lease term; and

WHEREAS, the University will enter into a lease with the Department of General Services to provide use of one University retail space as swing space for Cleveland Park Library; and

WHEREAS, the lease has been negotiated on a basis most favorable to the University with due consideration to maintenance and operation efficiency, and the lease terms and conditions are normal and customary for agreements of this type, and are consistent with prevailing scales in the community for comparable rental spaces;

THEREFORE, BE IT RESOLVED, that the Board of Trustees authorizes the President of the University to enter into a lease to rent one retail space at the University's Van Ness Campus at 4340 Connecticut Ave. NW, for a period of twenty-four (24) months with a nine-month option term.

Submitted by the Operations Committee:

July 20, 2016

Approved by the Board of Trustees:

July 26, 2016

Dr. Elaine A. Crider
Chairperson of the Board



FISCAL IMPACT STATEMENT

TO: The Board of Trustees
FROM: Managing Director of Finance *David L. Franklin*
DATE: July 15, 2016
SUBJECT: Leasehold Agreement Cleveland Park

Conclusion

It is concluded that there is no significant fiscal impact associated with the full service rental agreement for the Cleveland Park Interim Library at the University of the District of Columbia (UDC). The rental agreement is between UDC and the Department of General Services (DGS) and it calls for the use of one of UDC's retail spaces as swing space for Cleveland Park Interim Library at an annual rent sum of \$125,000. The agreement is for a two (2) year period beginning on the rent commencement date and ending on the second anniversary of the rent commencement date. The agreement calls for an annual charge payable in six (6) month installments of \$62,500, in arrears, during the term of the lease. The lease provides for a four - month rent abatement of \$41,666.

Background

UDC and DGS intend to enter into a leasehold arrangement over a two year period beginning from the period of the rent commencement date. The agreement calls for the District of Columbia acting by and through the Department of General Services to lease 3,100 square feet of rentable space at 4340 Connecticut Avenue NW, Washington, DC, 20008, under a full service use agreement. The annual usage fee is \$125,000. The agreement includes, but is not limited to, operating costs, real estate taxes, utilities, building operating expenses, trash costs, and building cleaning. The agreement also calls for overtime HVAC usage of \$60 per hour as well as tenant improvement. The annual rental charge is exclusive of cleaning and maintenance and repairs. DC Public Library will be responsible for tenant improvement, cleaning, and maintenance and repairs.

The agreement calls for the provision of seven (7) reserved parking spaces in UDC's parking facility for use by employees and agents of the tenant. The cost of such parking is included in the annual rent. The lease also provides for a nine (9) month extension option commencing immediately following the last day on which the initial lease period ends. Such an extension necessitates written notice by the tenant, of an intention to renew, at least three (3) months prior to the expiration of the initial lease term.

Financial Impact

The request has been approved based upon the information provided. However, it is imperative that the Office of the Real Estate & Facilities Management assume the responsibility of monitoring requests for use of additional space, as specified in the agreement, to ensure the total cost of space use does not exceed the contract amount. There are some risks with this proposal; however, with proper administrative oversight during the two years of the lease agreement, such risk can be mitigated.

MEMORANDUM

TO: Ronald Mason, President

FROM: Erik Thompson, Vice President of Real Estate and Facilities Management

DATE: July 15, 2016

SUBJECT: Cleveland Park Library Lease

The University of the District of Columbia (University) is seeking Board of Trustees' approval to enter into a lease with the District of Columbia Department of General Services (DGS) on behalf of the District of Columbia Public Library (DCPL). DGS has requested to rent the University's retail #1 space at 4340 Connecticut Avenue NW (Building 52) Washington, DC 20008 for swing space during the planned Cleveland Park Library renovation project. DGS will responsible for all design, construction, installation, and utility connections associated with implementing the swing space.

Space: Approximately Three Thousand One Hundred (3,100) square feet in the ground floor retail space.

Term: Twenty-Four (24) Months lease term, with an option term of Nine (9) Months, effective from Lease Commencement Date.

Rent: Total rent expected for the full term shall not exceed Two Hundred Fifty Thousand (\$250,000) Dollars less a Four (4) Month rent abatement of Forty-one Thousand, Six Hundred Sixty-six Dollars and Sixty-seven Cents (\$41,666.67).

Parking: Seven (7) parking spaces for DCPL employees.

Operational Costs: The above Rent is exclusive of the cost of cleaning, maintaining and repairing the Premises and inclusive of all other costs, including, but not limited to, operating costs, real estate taxes, water, gas, electricity, building operating expenses, trash costs, building cleaning (excluding the Premises). The Rent does not include the cost of security service for the area that DCPL will occupy. If the DCPL's service hours are beyond the University's building hours, DGS shall cover the cost of heating, ventilating, and air conditioning (HVAC) services at \$60.00 per hour without mark-ups, additional fees, engineer fees, or any other additional costs.

Maintenance and Repairs: DCPL will be responsible for maintenance, cleaning and repairs for the Premises and tenant improvements (excluding base building infrastructure and equipment (e.g. HVAC, IT, electricity, water, etc.) The University will be responsible for maintenance, cleaning, and repairs for the base building, building systems, and common areas.

LEASE AGREEMENT

THIS LEASE AGREEMENT (this “**Lease**”) is made and entered into as of the ____ day of _____, 2016 (the “**Lease Commencement Date**”), by and between the University of the District of Columbia, an independent agency of the District of Columbia government (“**Landlord**”), and the **DISTRICT OF COLUMBIA**, a municipal corporation, by and through its Department of General Services (“**Tenant**” or the “**District**”).

RECITALS

1. **WHEREAS**, Landlord owns a certain parcel of real estate (the “**Land**”), including the buildings and improvements thereon, located at 4340 Connecticut Avenue, N.W, Washington, DC 20008, Lot 4, Square 1965 (the “**Building**”);

2. **WHEREAS**, Landlord wishes to lease to Tenant and Tenant wishes to Lease from Landlord space on the first floor of the Building consisting of 3,100 rentable square feet and known as Retail Space 1 (the “**Premises**”) on the terms and conditions set forth below;

3. **WHEREAS**, the Premises are located in the approximate location shaded on Exhibit A attached to this Lease;

4. **WHEREAS**, pursuant to the Department of General Services Establishment Act of 2011, effective September 14, 2011 (D.C. Law 19-21, 58 DCR 6226), D.C. Official Code § 10-551.01 (2011 Supp.), as well as, all regulations, and orders promulgated and related thereto and in furtherance thereof, the Department of General Services (“**DGS**”) was established and, among other things, performs certain functions, and has certain delegated authority with respect to management, maintenance, and operations of certain facilities, which include administering matters related to the District’s leasehold interests in the Premises and has the right and authority to attend to matters relating to the Lease;

5. **WHEREAS**, pursuant to D.C. Code § 38-1202.01 (a) (2001 ed.), the Board of Trustees of the University of the District of Columbia (the “**Board**”) possesses all powers necessary or convenient to accomplish its statutorily prescribed objects and duties, including the power to make, deliver, and receive deeds, leases and other instruments and to take title to real and other property in its own name, and Landlord has the right and authority to enter into and attend to matters set forth in this Lease;

6. **WHEREAS**, Landlord represents that pursuant to 8B DCMR §2100.1, the President of the University of the District of Columbia, subject to Board approval, is authorized to enter into real estate lease agreements with any person, partnership, corporation, or other entity; and

7. **WHEREAS**, the foregoing recitals and all exhibits attached hereto are hereby incorporated into this Lease and made a part hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Landlord and Tenant agree as follows:

**DEFINITIONS AND
STANDARD CLAUSES AND PROVISIONS**

All exhibits attached to this Lease are incorporated herein.

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Exhibits

- Exhibit A – Site Plan of Premises
- Exhibit B – Plat of the Land
- Exhibit C – Form of Declaration of Delivery

DEFINITIONS:

“**Additional Rent**” means all sums other than Annual Rental, or the components thereof, payable by the District to Landlord under this Lease.

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

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

“**Annual Rental**” is defined in Section 7 of this Lease.

“**Anti-Deficiency Acts**” is defined in Section 27.1(a) hereof.

“**Base Building Conditions**” is the roof, floor slab, exterior walls (excluding doors, windows, and glass), structural portions of the Premises, and any utility lines located outside the Building up to the point of entry into the Building.

“**Building**” is defined in the Recitals above.

“**Building Hours**” means operating hours for zoned heating, ventilation and air conditioning at the Landlord’s sole cost and expense, which are Monday, Tuesday, and Wednesday 9:30 a.m. to 9:00 p.m., Thursday 1:00 p.m. to 9:00 p.m., Friday and Saturday from 9:30 a.m. to 5:30 p.m, and Sunday from 1:00 p.m. to 5:00 p.m., excluding holidays observed by the Government of the District of Columbia.

“**Building Structures and Systems**” is the Building standard mechanical, electrical, telephone/telecommunications 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, the Parking Facility, all mechanical and janitorial closets, and all other structures or systems serving the Building.

“**Business Days**” means Monday through Friday, excluding holidays observed by the Government of the District of Columbia and days when the Government of the District of Columbia is officially closed for business.

“**Common Areas**” means the elevators, hallways, stairways, public bathrooms, sidewalks, driveways, parking areas, loading docks, common entrances, lobbies and other similar public or non-exclusive areas and access ways in or on the Property.

“**Declaration of Delivery**” means that document (in the form attached as “**Exhibit C**” to this Lease) to be executed by the Parties within fifteen (15) days after the District’s written request therefor and setting forth the Rent Commencement Date, Lease expiration date, and verifying such other terms as deemed appropriate by the Parties.

“**District**” means the District of Columbia, by and through its Department of General Services, as the tenant under this Lease and any agency, office or instrumentality of the District of Columbia occupying the Premises (solely in its or their capacity as an occupant under this Lease) during the Lease Term.

“**District Negligence**” means the negligence or willful misconduct of the District or its Agent, as determined by the judgment of a court of competent jurisdiction.

“**District Default**” is defined in Section 18.1(a) hereof.

“**District of Columbia**” means the District of Columbia, in its capacity as a municipal corporation, and not in its capacity as the tenant under this Lease.

“**District’s Notice Address**”

Government of the District of Columbia
Department of General Services
2000 14th Street, N.W., 8th Floor
Washington, D.C. 20009
Attn: Director

with a copy to:

Government of the District of Columbia
Department of General Services
2000 14th Street, N.W., 8th Floor
Washington, D.C. 20009
Attn: General Counsel

and, in the event of an alleged District default, with a copy to:

Government of the District of Columbia
Office of the Attorney General for the
District of Columbia
441 4th Street, N.W., Suite 1010 South
Washington, D.C. 20001
Attention: Deputy Attorney General,
Commercial Division

“**Emergency Condition**” is defined in Section 13.1 hereof.

“**Environmental Default**” means any of the following: (a) a continuing violation beyond any applicable period of notice and cure of Environmental Laws; (b) a release, spill or discharge of Hazardous Materials on or from the Premises, or any of the Property; (c) an environmental condition requiring responsive action; or (d) any combination of the foregoing.

“**Environmental Laws**” means any present and future laws and any amendments thereto (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.; 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 or modifications to the foregoing as they may occur from time to time; and, all regulations, orders, decisions and decrees now or hereafter promulgated thereunder.

“**Extension Term**” is defined in Section 6 hereof.

“**Force Majeure Event**” means any of the following that directly cause any of a Party’s obligations under this Lease not to be performed in a timely manner: an act of God (including fire, flood, earthquake, hurricane, or other natural disaster) explosion, 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 willful misconduct or negligence of Landlord or District Negligence, as applicable.

“**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.

“**Initial Lease Term**” is defined in Section 5.1 of this Lease, but does not include the Extension Term, if applicable, which in all events is subject to Section 27.1 hereof.

“**Interruption**” means any event or condition which causes the Premises or a portion thereof to be untenable, inaccessible, or otherwise unfit for occupancy or its intended use under this Lease to the extent not caused by District Negligence, including without limitation the following events and conditions: (a) failure to provide electricity, heating, lighting, ventilation, air conditioning, running water, plumbing, or Building security; (b) if the Premises are located above the ground floor, failure to have at least one (1) passenger elevator operational in the Building servicing the Premises; (c) failure to provide functioning sprinklers or smoke detectors in the Premises as required by any Laws; and (d) an Environmental Default.

“**Land**” means the real property upon which the Building is located, a plat of which is set forth on “Exhibit B” attached hereto.

“**Landlord**” means the University of the District of Columbia (UDC), an independent agency of the District of Columbia Government.

“**Landlord Default**” is defined in Section 18.2(a) hereof.

“**Landlord’s Delivery Obligations**” means (i) Landlord’s delivery of the Premises in broom clean condition, empty of any furniture, equipment and trash from the prior tenant, and in compliance with all applicable Laws; and (ii) Landlord’s delivery of the Parking Passes for District’s use.

“**Landlord’s Notice Address**” is:

General Counsel
University of the District of Columbia
4200 Connecticut Avenue N.W.
Building 39, Room 301Q
Washington, D.C. 20008

and

Vice President for Real Estate & Facilities Management
University of the District of Columbia
4200 Connecticut Avenue N.W.
Building 38, Suite C-01
Washington, D.C. 20008

“**Landlord Payment Address**” is:

Vice President for Real Estate & Facilities Management
University of the District of Columbia
4200 Connecticut Avenue N.W.
Building 38, Suite C-01
Washington, D.C. 20008

“**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 orders, rules and regulations promulgated thereunder, as the same may be amended from time to time, including but not limited to all applicable ordinances (including without limitation, zoning ordinances and land use requirements) and codes of the District of Columbia, the United States, and any other governmental or quasi-governmental entities.

“**Lease Commencement Date**” means the date the Parties fully execute and deliver this Lease, which date is the date first set forth above in the first paragraph of this Lease.

“**Lease Term**” or “**Term**” is the Initial Lease Term, as may be extended by the Extension Term, in all events subject to Section 27.1 hereof.

“**Parking Facility**” means the parking lot at the Days Inn located at 4400 Connecticut Avenue, NW, Washington DC with an entrance on Yuma Street.

“**Parking Spaces**” is defined in Section 2.2 hereof.

“**Parties**” means Landlord and the District.

“**Party**” means either the Landlord or the District.

“**Permitted Use**” means use by the Cleveland Park Library only as a swing space for the duration of the Cleveland Park Library renovation.

“**Premises**” is defined in the Recitals above in this Lease.

“**Property**” means the Building and Land.

“**Rent Commencement Date**” shall be the date upon which all of Landlord’s Delivery Obligations have been satisfied, which date shall be fixed in the Declaration of Delivery.

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

“**Tenant Improvements**” are the improvements to the Premises that may be provided by the District, in its sole and absolute discretion, in accordance with the terms and conditions set forth in this Lease and plans and specifications approved by the Landlord pursuant to Section 8.1 hereof. For the avoidance of any doubt, Tenant Improvements constituting furniture or equipment shall be the personal property of the District.

CLAUSES AND PROVISIONS:

1. PREMISES

1.1 The District leases the Premises from Landlord and Landlord demises the Premises to the District for the term and upon the conditions and covenants set forth in this Lease.

1.2 Landlord hereby grants to the District and its Agents, employees, licensees and invitees the exclusive right to use the Premises and the non-exclusive right to use the Common Areas in the Building and on the Land for ingress to and egress from the Premises, in accordance with the terms of this Lease. The District and its Agents, employees, licensees and invitees shall have access and rights of ingress and egress to the Property, the Building, the Premises and the Parking Facility 24-hours each day of the Lease Term (including elevator service). If UDC elects to close due to a snow or ice weather event, then on each day of closing, it shall immediately notify the District of such closing by contacting DGS Facilities. If the District elects to access the Premises during such a weather event, even though UDC is closed, then UDC shall immediately comply with its obligations for snow and ice treatment and removal set forth in Section 11.1 of this Lease. If the District notifies UDC in writing that it elects to not access the Premises during a weather event, then on such day that the District will not access the Premises, UDC shall clear snow and ice from the Property to provide ingress and egress to and from the Premises within a reasonable time period. The notification process set forth in this paragraph shall repeat for each day that UDC is closed for a snow or ice weather event.

1.3 Landlord hereby represents, warrants, and covenants that, as of the Rent Commencement Date, the Property and the Building will comply with Laws, subject to any “grandfathering” provisions, and that the Premises, including without limitation all HVAC, plumbing, electrical and other mechanical systems, shall be in good working order and condition. Landlord shall be responsible for complying with all Laws pertaining to the Building, Common

Areas, Base Building Conditions, and Building Structures and Systems, provided that Landlord shall not be responsible for any non-compliance that is solely attributable to the District's use or occupancy of the Building or the Premises (including Alterations in and to the Premises by the District) throughout the Lease Term. If, after the Lease Commencement Date, the District elects to use the Premises in a way that necessitates changes or additions to the Premises or the Building in order to comply with Laws solely due to the District's specific use or occupancy of the Premises, the District shall be responsible for those changes or additions, subject to the appropriation and availability of certified funds for that purpose. After the Rent Commencement Date, Landlord shall cause all future changes, additions, and work to the Common Areas, Base Building Conditions, or Building Structures and Systems, to the extent commercially reasonable, to be performed after Building Hours, unless such changes, additions, and/or work do not interfere in any material, adverse manner with the District's use and enjoyment of the Premises, as determined by the District in the District's sole but reasonable discretion.

1.4 Subject to the terms and conditions of this Lease including Landlord's Delivery Obligations, Landlord shall deliver the Premises to the District and the District shall accept the Premises, Building and Land in its "as-is" condition, and in accordance with the terms of this Lease. The Parties acknowledge that the Premises will initially be occupied by the District of Columbia Public Library.

2. PARKING

2.1 During the Lease Term, Landlord shall provide the District with seven (7) parking passes which will allow access to the Parking Facility for the use of employees and agents of the District (the "**Parking Passes**"). The Parking Passes allow access to use only the unreserved parking spaces in the Parking Facility. The cost for the Parking Passes is included in the Annual Rental and there shall be no Additional Rent due by, or any other charge to, the District or its employees or agents for the Parking Passes.

2.2 The District's use of the Parking Facility may be subject to rules and regulations promulgated by Landlord or the Parking Facility operator which are reasonable and in accordance with Laws (to be promulgated and enforced without discrimination against the District) regarding the use thereof, which shall be in writing and delivered to the District.

2.3 Landlord warrants and represents that it has not entered into any agreements with the owner of the Parking Facility or any other party, the effect of which would be to preclude the District or its Representatives from exercising rights available at law or in equity against the Parking Facility owner or any other third party in connection with claims, damages, or injury arising from or in connection with use of the Parking Facility by the District or its Representatives.

3. USE OF PREMISES

3.1 The District shall use and occupy the Premises solely for the Permitted Use. The District shall comply with all Laws applicable to it concerning the use, occupancy and condition of the Land, Building or Premises and all machinery, equipment, furnishings, fixtures, and improvements therein, all of which shall be complied with in a timely manner, provided that the District shall not be required to construct or alter the elements of the Base Building Conditions or Building Structures and Systems within the Premises unless required by reason of either (i) the

District's particular use of the Premises, or (ii) any Alteration made by the District. If any such Laws requires an occupancy or use permit or license for the Premises or the operation of the business conducted therein, then the District shall obtain and keep current such permit or license. Use of the Premises is subject to all covenants, conditions and restrictions of record, which Landlord represents and warrants do not and will not adversely impact the Permitted Use hereunder. The District shall ensure that use of the Premises by the District does not exceed the maximum live floor load allowance of 125 per square foot. Notwithstanding anything in this Lease to the contrary, the District shall be responsible for any and all damage, injury or loss caused by the District's failure to abide by the maximum live floor load requirement stated herein, as determined by the judgment of a court of competent jurisdiction in the event the District disputes the same.

3.2 The District shall pay before delinquency any business, rent or other taxes or fees that are now or hereafter levied, assessed or imposed directly upon the District due to its use or occupancy of the Premises, the conduct of the District's business at the Premises or the 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 the District shall pay such tax or fee with the monthly payment of Annual Rental next becoming due and payable, subject to the appropriation of available and certified funds and Section 27.1 hereof.

3.3 (a) The District and the District's Agents shall not introduce or cause any Hazardous Materials to be generated, used, treated, released, stored, or disposed of in or about the Premises, the Building or the Land by the District; provided, the District may use and store normal and reasonable quantities of standard cleaning and office materials as may be reasonably necessary for the District to conduct normal operations in the Premises so long as such materials are stored and used by the District in accordance with applicable Laws. At the expiration or earlier termination of this Lease, the District shall surrender the Premises to Landlord free of Hazardous Materials introduced by the District or the District's Agents, and in compliance with all Environmental Laws (excluding violations caused by parties other than the District or the District's Agents).

(b) The District and Landlord shall (i) give the other prompt oral and follow-up written notice of any actual or threatened Environmental Default affecting the Premises or any other portion of the Property which could affect occupants or invitees of the Premises, including an Environmental Default affecting the Parking Facility or Common Areas (an "**Environmental Area**"), about which it becomes aware; and (ii) promptly deliver to the other 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 an Environmental Area. Subject to the Anti-Deficiency Acts, the District shall promptly cure any Environmental Default to the extent caused by District Negligence in accordance with all Environmental Laws and only after the District has obtained Landlord's prior written consent, which shall not be unreasonably withheld, conditioned or delayed.

(c) Landlord represents, warrants, and covenants that, as of the date that Landlord's Delivery Obligations are satisfied, the Premises will comply in all material respects with applicable Environmental Laws. Landlord shall promptly abate, remediate, or otherwise cure any such Environmental Default caused by Landlord or its Representatives in accordance with all Environmental Laws, provided that Landlord shall have no obligation to perform such abatement, remediation or cure if Landlord's insurance proceeds are insufficient to perform such abatement, remediation or cure. In the event of an Environmental Default affecting an Environmental Area caused by the Landlord or its Representatives, within 10 days of Landlord's actual knowledge of

such Environmental Default, Landlord shall notify the District in writing of the default (“**Environmental Notice**”) which Environmental Notice shall (i) state Landlord’s reasonable determination of the time necessary to cure the Environmental Default and (ii) state whether Landlord elects not to cure the Environmental Default because insurance proceeds payable are insufficient to pay for the costs of such cure. The District shall have the right to cancel this Lease on 30 days prior written notice to Landlord if Landlord elects not to cure the Environmental Default or cure of the Environmental Default is reasonably anticipated to take more than sixty (60) days.

(d) If this Lease is terminated pursuant to this Section 3.3, then Annual Rental and any Additional Rent shall be apportioned (based on the portion of the Premises that is usable or used after such Environmental Default caused by Landlord or its Representatives) and paid to the date of termination. Whether or not the Lease is terminated as a result of such damage or destruction, then until cure of such Environmental Default, District shall be required to pay Annual Rental and any Additional Rent only for that portion of the Premises that is usable while such cure is being performed.

3.4 Landlord represents and warrants to District that (a) as of the Lease Commencement Date, Landlord has, and as of the Rent Commencement Date, Landlord shall have, fee simple title to the Building; and (b) there are no matters of public record encumbering the Premises and no agreements to which Landlord is a party which would (i) interfere with or adversely affect District’s use and enjoyment of the Premises or prevent District from operating its Premises in accordance with the terms of this Lease, (ii) adversely affect any right granted to the District under this Lease, or (iii) impose on the District any obligation in excess of those set forth in this Lease.

4. RULES

The District shall abide by and observe any reasonable rules that Landlord may promulgate from time to time for the operation and maintenance of the Building, provided (a) Landlord gives the District reasonable prior written notice thereof; (b) such rules are not inconsistent with the provisions of this Lease or any applicable laws; and (c) no rule discriminates against the District in the enforcement or promulgation thereof. If any provision of this Lease conflicts with any provision of any Building rule, such provision of this Lease shall govern.

5. TERM

5.1 The “**Initial Lease Term**” shall be for the period commencing on the Rent Commencement Date and ending at 11:59 p.m. on the second anniversary of the Rent Commencement Date. The Initial Lease Term may be extended by any properly exercised renewal or extension of the term of this Lease pursuant to Section 6 below.

5.2 Until the Rent Commencement Date, the District shall not be obligated to pay any Annual Rental or any Additional Rent.

5.3 The District shall have the right to locate 1 “book return” box (the “**Book Return**”) outside the Premises next to the front door. The box has a footprint of 2’ x 2’ and stands 4.5 feet tall. Design plans and specifications for the Book Return shall be subject to Landlord’s prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. The book return box shall be installed at the District’s election and expense.

6. EXTENSION OPTIONS

6.1 The District shall have the right, exercisable at the District's option (the "**Option Right**"), to extend the Initial Lease Term for nine (9) months (the "**Extension Term**"). If exercised, the Extension Term shall commence immediately following the last day of the Initial Lease Term. The District may exercise the Option Right by written notice to Landlord delivered not less than three (3) full calendar months prior to the expiration of the Initial Lease Term.

7. ANNUAL RENTAL

7.1 "**Annual Rental**" for the Premises throughout the Lease Term is \$125,000.00 per year, subject to the Landlord Credit (as defined in Section 7.4). The District shall pay Annual Rental during the Lease Term and any Extension Term in six (6) month installments of \$62,500.00 each, in arrears ("**Six Month Installments**"). Six Month Installments shall be paid to Landlord by the District during the Lease Term and any Extension Term on or before the 5th of March and the 5th of September (each an "**Annual Rental Due Date**") for Annual Rental that accrued during the six (6) full months immediately preceding the Annual Rental Due Date ("**Rental Period**"). Six Month Installments shall be prorated for any partial Rental Period.

If the District fails to pay Annual Rental by the Annual Rental Due Date, then Landlord shall deliver written notice of non-payment to the District. The District's failure to pay Annual Rental by the Annual Rental due date shall not be a default under this Lease unless the District does not pay within 20 business days after receipt of Landlord's notice of non-payment.

Annual Rental is exclusive of the cost of cleaning, maintaining and repairing the Premises (subject to Section 9.1 hereof) and inclusive of all other costs, including, but not limited to, operating costs, real estate taxes, water, gas, electricity, trash costs, and building cleaning (excluding the Premises).

7.3 The District shall pay Annual Rental to Landlord, at the 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.

7.4 Notwithstanding anything in this Section 7 to the contrary, Landlord hereby grants to the District a rental abatement of \$41,666.67 (which is equal to four (4) full calendar months of Annual Rental) ("**Landlord Credit**"), which shall be applied toward Annual Rental commencing on the Rent Commencement Date.

8. Construction of Tenant Improvements; Alterations; Delivery Date

8.1 Plans and specifications for the District's demolition in the Premises and Tenant Improvements shall be subject to the Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Landlord's failure to approve any submitted plans and specifications within ten (10) Business Days shall be deemed Landlord's approval of the same. The design and construction of any Tenant Improvements or demolition shall be performed and completed by the District in accordance with the Landlord approved plans and

specifications.

8.2 After completion of the Tenant Improvements, the District shall not make or permit anyone to make Alterations without the prior written consent of Landlord, (i) which consent may be withheld or granted in Landlord's sole and absolute discretion with respect to Alterations which may affect any aspect of the Base Building Conditions or Building Structures and Systems, and (ii) which consent shall not be unreasonably withheld, conditioned, or delayed with respect to non-structural Alterations. Alterations that may adversely affect Base Building Conditions or the Building Structure and Systems shall be deemed to include, without limitation, any Alteration that will or may necessitate any changes, replacements or additions to the columns, slabs or other structural elements of the Building, or to the fire protection, water, sewer, electrical, mechanical, plumbing or HVAC systems of the Premises or the Building. Notwithstanding the foregoing, the District shall have the right, after providing 10 days' prior written notice to Landlord, but without the necessity of obtaining Landlord's consent, to re-carpet, re-paint or to make any cosmetic or decorative nonstructural alterations in or to the Premises. All Alterations shall be constructed at the District's election and expense, subject to the appropriation and availability of certified funds for such purpose, in compliance with applicable Laws and lien free. The District shall not permit any mechanic's lien to be filed against the Premises or the real property of which the Premises are a part, for work claimed to have been done for or materials claimed to have been furnished to the District. Landlord shall not be liable for any and all claims, losses, expenses, and damages resulting from or arising out of any Alterations by the District unless cause by the negligence or willful misconduct of Landlord or its Agents. If Landlord gives its consent to the making of any Alteration, such consent shall not be deemed to be an agreement or consent by Landlord to subject its interest in the Premises or the Building or the Land to any liens that may be filed in connection therewith. The District acknowledges that any Alterations are accomplished for the District's account, and, other than an Alteration performed by Landlord for the District and subject to the terms and conditions of a work agreement for such Alterations, Landlord shall have no obligation or responsibility in respect thereof.

8.3 If any Alterations are made without the prior written consent of Landlord, Landlord shall have the right to require the District to restore the Premises and the Building to their condition immediately prior thereto, subject to the District obtaining appropriated, certified and available funds for such purpose. 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 the District shall be required to remove any Alterations that Landlord requires the District to remove as a condition of its consent to the installation of such Alterations under Section 8.2 hereof, so long as Landlord notified the District at the time of its approval of such Alterations that the District shall be required to remove the same (in order that the District may include the costs of such removal in its budgetary process); provided, however, the 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 and discretion of the District. The District shall repair any damage and injury to the Premises or the Building caused by such removal subject to the District obtaining appropriated, certified and available funds for such purpose. If such furniture (including systems furniture), furnishings and equipment are not removed by the District at the expiration or earlier termination of the Lease Term, the same shall at Landlord's option (i) be deemed abandoned or (ii) become the property of Landlord to be surrendered with the Premises as a part thereof.

8.4 Subject to a Force Majeure Event, Landlord shall deliver the Premises with

Landlord's Delivery Obligations satisfied not later than seven (7) days after this Lease has been executed and delivered by both parties (the "**Outside Delivery Date**"). Annual Rent shall abate by one day for each day after the Outside Delivery Date that the Premises is not delivered to the District with Landlord's Delivery Obligations satisfied.

9. MAINTENANCE AND REPAIRS

9.1 Notwithstanding any other provision of this Lease, but subject to Sections 9.2, 16 and 17 hereto, Landlord, at its sole cost and expense, shall promptly make all repairs, perform all maintenance, and make all replacements in and to the Land, the Common Areas, the Base Building Conditions and Building Structures and Systems (including those located within the Premises) and the Building, excluding the Premises, that are necessary or desirable to keep the same: (a) in good condition and repair, (b) in a clean, safe and tenantable condition, and (c) otherwise in accordance with all Laws and the requirements of this Lease. The District shall suffer no waste or injury to any part of the Premises, and shall, at the expiration or earlier termination of the Lease Term, surrender the Premises in an order and condition equal to its order and repair on the Rent Commencement Date, subject to ordinary wear and tear, Landlord's repair and maintenance obligations, and Section 16. Any such construction work as required by this Section 9.1 shall be performed to the extent commercially reasonable after Building Hours and on weekends, recognizing that no such limitation shall apply in the event of a condition imminently endangering the health or safety of the Building occupants or other persons or where such work will not materially adversely affect District's business operations in the Premises.

9.2 Except as otherwise provided in Section 16, the District shall be responsible for all injury, breakage and damage to the Premises and to any other part of the Building or the Land to the extent caused by District Negligence. At all times, subject to Section 14, Landlord shall be liable for all injury, breakage and damage to the Premises resulting from a failure of the Base Building Conditions or Building Structures and Systems, except to the extent arising solely due to District Negligence. The District shall give Landlord prompt notice of any defects or damage to the structure of, or equipment or fixtures in, the Building or any part thereof. Landlord shall ensure that the Building will be managed, operated and maintained in accordance with the standards of quality followed for a building of comparable age, quality, use, size and location as the Building and in full compliance with all applicable Laws (including, but not limited to, codes for electrical, mechanical, plumbing, fire and fire safety).

9.3 The District will be responsible for maintenance, cleaning and repairs for the Premises and Tenant Improvements (excluding Base Building Conditions or Building Structures and Systems).

9.4 Any changes or additions to the Building or Premises required from time to time in order to remain in compliance with Laws shall be at Landlord's sole cost and expense (meaning that such costs and expenses are already included in Annual Rental and shall not be billed as Additional Rent). Notwithstanding the foregoing, however, if any such changes or additions are required solely by reason of District's use of the Premises, District shall, at its option, either (i) not commence or immediately cease (as the case may be) any use requiring such changes or additions, or (ii) agree to bear the costs of such changes or additions after certifying the availability of appropriated funds for such purpose.

9.5 Notwithstanding anything in this Lease to the contrary, the Parties hereby agree that Landlord's entry into the Premises shall be subject to District's security requirements.

9.6 District's financial obligations under this Section 9 are subject to Section 27.1 hereof.

10. SIGNS

The District shall have the right to apply one (1) thin film window sign to each exterior window at the Premises for a total of two (2) signs ("**Signage**"). Design plans and specifications for the District's Signage shall be subject to Landlord's prior written approval, which approval shall not be unreasonably withheld, conditioned, or delayed. Landlord's failure to approve any submitted plans and specifications within ten (10) Business Days shall be deemed Landlord's approval of the same. Signage elected to be installed by the District shall be at the District's expense.

11. LANDLORD SERVICES AND UTILITIES

11.1 Except as otherwise provided herein, Landlord shall provide the following as part of Annual Rental, meaning that the District shall not otherwise be charged Additional Rent:

(i) subject to Section 1.2 of this Lease, pretreatment and snow removal from sidewalks, drives, and entrances during and promptly after a snowfall and in no event permitting hazardous ice or snow accumulations along such sidewalks, drives and entrances;

(ii) extermination and pest control at appropriate intervals, as may be deemed necessary in the exercise of prudent management practices. ;

(iii) repair and maintenance of any HVAC unit or system in or serving the Premises, which shall include, without limitation, cleaning, repairs, and replacements;

(iv) HVAC meeting the design specifications existing in the Premises as of the Rent Commencement Date;

(v) trash removal services from the Building and Land, in compliance with all applicable Laws;

(vi) exterior lighting, maintenance of parking areas and the Parking Facility (to include snow removal); and, walkways, driveways, landscaping, fences, and utility installations of the Common Areas kept in good condition and repair;

(vii) provision and installation of replacement bulbs or tubes for the Building and Premises standard light fixtures. Bulbs or tubes for all other lighting within the Premises shall be provided by Landlord or the District, at the District's option and expense; provided that the Landlord shall provide the labor involved for such installation and replacement at no cost to the District;

(viii) Building and Premises key cards, keys or similar devices to be provided to the District as follows: seven (7) such devices shall be delivered to the District prior to the Rent Commencement Date and up to an additional ten (10) such devices upon the District's written request (any additional devices shall not be at Landlord's cost or expense), and the District shall have

the right at its election and expense to expand the Building's security system for the benefit of the Premises or install an independent access control system for the Premises (subject to Section 8 above) and in such event the District shall be responsible for provision and installation thereof;

(ix) hot and cold water sufficient for ordinary drinking, lavatory, toilet and cleaning purposes to be drawn from approved fixtures in the Premises;

(x) non-exclusive access to the Building service entrance and the Building loading area with a loading dock or scissors lift; and

(xi) provision and installation of the Building's standard window treatments for the Premises windows, and the repair and replacement thereof if and when necessary; and

(xii) the provision of any electricity, gas, and water/sewer serving the Premises and Landlord shall pay the cost thereof directly to the applicable utility providers, the cost of which is included in Annual Rental.

11.2 At the District's request by 5:00 p.m. on the preceding Business Day, Landlord shall provide HVAC services, other than during Building Hours, at \$60.00 per hour without mark-ups, additional fees, engineer fees, or any other additional costs (the "**Overtime HVAC Rate**"). The Overtime HVAC Rate and Overtime HVAC Rate Increases, each as applicable, shall be payable as Additional Rent in the same manner and timing as Annual Rental.

11.3 At the District's request, Landlord may, at Landlord's election, perform additional services ancillary to this Lease, or provide additional improvements to the Premises or the Building not otherwise set forth in this Lease ("**Additional Services**"); provided, however, that prior to performing any Additional Services, Landlord shall provide the District with a detailed scope of work for the Additional Services (the "**Scope of Work**"), and the cost therefor, which cost shall be on an "open book" basis and may include a defined mark-up or fee to Landlord in the amount of 3% of such cost without such mark-up (the "**Additional Services Cost**"). The District shall either approve or disapprove the Scope of Work and the Additional Services Cost in a writing signed by the Director after the District's certification of the availability of lawfully appropriated funds for such purpose (the "**Additional Cost Approval**"). The Additional Cost Approval may also require the approval of the Council of the District of Columbia ("**Council**") pursuant to D.C. Official Code § 1-204.51, as may be amended from time to time (pertaining to prior Council approval of contracts in excess of \$1,000,000.00 in any 12-month period). If the District obtains an Additional Cost Approval (including Council approval, if applicable), after Landlord completes the Additional Services pursuant to the Scope of Work, Landlord shall deliver an invoice for the actual cost therefor to the District, which invoice may not exceed the Additional Services Cost and shall be on an "open book" basis. The District shall pay to Landlord such actual cost of the Additional Services, in arrears, as Additional Rent with the next payment of Annual Rental coming due and payable after Landlord has delivered such actual cost invoice to the District. Landlord has no obligation to incur costs over the Additional Services Cost, but if Landlord's actual costs exceed the Additional Services Cost, the District shall not be liable for such costs in excess of the previously approved Additional Services Cost.

12. INTERRUPTION OF SERVICE.

12.1 Intentionally deleted.

12.2 Upon any Interruption not caused by District Negligence, the District shall be entitled to an abatement of Annual Rent and Additional Rent on a per diem basis in the proportion which the affected area bears to the total Premises. Such abatement shall begin on the 3rd business day of such Interruption and shall continue for each day such Interruption continues (such abatement shall end as to each portion affected when such service or ability to use and occupy is fully restored to such area). If such Interruption continues for ten (10) business days, then Landlord shall deliver to the District within the next 5 business days a reasonably detailed written plan to remedy and end the Interruption. If Landlord fails to timely deliver such plan or if the District provides Landlord with a written determination that, in the District's reasonable discretion, such plan will not end the Interruption then the District shall have the right to terminate this Lease within thirty (30) calendar days of the expiration of such five (5) business day period. If the Interruption continues for ninety (90) consecutive calendar days, then the District shall have the right to terminate this Lease by written notice to Landlord at any time following the 90th day of such Interruption; provided, however, if such Interruption ceases prior to delivery by the District of such notice of termination or prior to the effective date of such termination, such notice of termination shall be deemed revoked and of no further force and effect.

13. INSPECTION

13.1 Subject to the District's security requirements and upon reasonable prior notice which need not be in writing (recognizing that no such limitations shall apply in the event of a situation reasonably determined by Landlord to be an emergency affecting the Premises or the Building or the health or safety of tenants or visitors to the Premises or Building (any such event being referred to herein as an "**Emergency Condition**")), the District shall permit Landlord, its Representatives, and the holder of any mortgage, to enter the Premises without charge therefor and without diminution of the rent payable by the 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 show the Premises to prospective lenders and purchasers. Landlord shall endeavor to minimize disruption to the District's normal business operations in the Premises in connection with any such entry. Except for an Emergency Condition, Landlord shall use commercially reasonable efforts not to interrupt, delay or disrupt the District's normal business operations in the Premises without reasonable, prior notice to the District of its intent to do so.

14. INSURANCE

14.1 Landlord also agrees to carry and maintain commercial general liability insurance with a minimum limit of liability in the amount of \$1,000,000 for personal injury or death of persons occurring in or about the Building (including the Premises). Landlord may elect to carry such other additional insurance or higher limits as is consistent with the insurance held by owners of comparable office buildings in Washington, DC. Landlord shall (i) cause the "District of Columbia, as its interests may appear" to be added as an additional insured or additional loss payee (as applicable), and (ii) provide for a waiver of subrogation in favor of the District of Columbia.

14.2 **Parties** acknowledge that other than Landlord's commercial general liability insurance neither the Landlord nor the District maintains any insurance policy insuring against liability or loss, damage or injury to property relevant to this Lease. The District shall be responsible for the repair of all injury, breakage and damage to the Premises and to any other part of the Building or the Land to the extent caused by District Negligence.

14.3 Intentionally Deleted.

14.4 Prior to the Lease Commencement Date, and as requested by the District, Landlord shall deliver to the District such certificates of insurance, endorsements and declarations pages as the District may reasonably request showing the District of Columbia as a certificate holder and an additional insured (or additional loss payee, as applicable), and confirming that the insurance coverage amounts and policies required hereunder are in force with premiums paid. Landlord shall provide the District with written notice of cancellation of any insurance required of Landlord hereunder. 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. At all times during the Lease Term, Landlord agrees to maintain the insurance coverage required in this Section 14.

14.5 To the extent not inconsistent with other provisions of this Lease and applicable law, Landlord shall not be obligated to insure, and shall not assume any liability of risk of loss for, the District's property, including any such property or work of the District's subtenants or occupants. Landlord shall also have no obligation to carry insurance against, nor be responsible for, any loss suffered by the District, subtenants or other occupants due to interruption of the District's or any subtenant's or occupant's business.

15. LIABILITY OF LANDLORD AND THE DISTRICT

15.1 Except as otherwise expressly provided in this Lease, neither Landlord nor its Representatives shall be liable to the District or its Agents for any damage, injury, loss or claim based on or arising out of any cause whatsoever related to the Premises, unless such liability is due to the negligence or willful misconduct of Landlord or its Representatives as determined by a court of competent jurisdiction.

15.2 .Intentionally Deleted.

15.3 Subject to Section 15.2 of this Lease, the Anti-Deficiency Acts and the appropriation of certified and available funds by the District of Columbia and the Congress of the United States of America for such purpose, the District shall be responsible for District Negligence arising from the District's occupancy and use of the Premises.

16. DAMAGE OR DESTRUCTION

16.1 (a) If the Premises or the Building are totally or partially damaged or destroyed, then Landlord shall diligently repair and restore the Building and Premises (including Tenant Improvements constituting fixtures); provided, however, that notwithstanding anything to the contrary in this Lease, (i) the District shall have the right to cancel this Lease on 90 days prior written notice given within 30 days of the date of the casualty if, in the District's reasonable opinion, the damage renders the entire Premises inaccessible for more than 60 days or 25% or more thereof is unusable for the normal conduct of the District's operations then conducted on the Premises, (ii) Landlord and the District each shall have the right to cancel this Lease on 60 days prior written notice given within 30 days of the date of the casualty if, in Landlord's reasonable judgment, the repair and restoration cannot be completed within 180 days after the date of the damage or destruction (which time period includes the time needed for effecting a satisfactory settlement with

any insurance company involved, removal of debris, preparation of plans and issuance of all required governmental permits), and (iii) both Landlord and the District shall have the right to cancel this Lease on 30 days prior written notice given within 30 days of the date of the casualty if there is then left in the Lease Term less than 12 calendar months. If the Premises or any part thereof shall be damaged or destroyed, the District shall provide prompt notice thereof to Landlord.

(b) Landlord's obligations to repair and reconstruct the Building and the Premises as set forth in Section 16.1(a) are subject to Section 27.1 and the following conditions precedent having been satisfied in Landlord's reasonable judgment:

(i) Landlord shall likely be able to obtain, or shall have obtained, all necessary governmental or quasi-government approvals and similar authorizations to rebuild the Building as required herein, including, but not limited to, zoning approvals and permits;

(ii) Landlord and the District each shall not have exercised its right to terminate the Lease to the extent permitted to do so pursuant to Section 16.1(a); and

(iii) Landlord's mortgagee, if any, shall have permitted (which permission shall not be unreasonably withheld, delayed, or conditioned) the insurance proceeds to be used to repair and restore the Building; or Landlord shall have an alternative source to provide for such funds.

16.2 If this Lease is terminated pursuant to Section 16.1, then Annual Rental and any Additional Rent shall be apportioned (based on the portion of the Premises that is usable or used after such damage or destruction) and paid to the date of termination. Whether or not the Lease is terminated as a result of such damage or destruction, then until such repair and restoration of the Premises are substantially complete, the District shall be required to pay Annual Rental and any Additional Rent only for the portion of the Premises that is usable while such repair and restoration are being made.

16.3 In the event that inadequate insurance proceeds are available for repair and restoration, Landlord shall have the right to terminate this Lease. The District shall not be entitled to compensation for damages as a result of the termination of this Lease following damage or destruction as described in this Section 16.3; provided, however, that in the event that inadequate insurance proceeds are available for repair and restoration and Landlord does not terminate this Lease but elects not to make the repairs and restoration, then notwithstanding anything to the contrary contained in this Lease, the District, as its sole and exclusive remedy on account thereof, shall have the right to terminate this Lease upon written notice thereof to Landlord within 30 days after the District receives written notice of Landlord's election not to repair and restore the Premises and/or the Building.

17. INTENTIONALLY DELETED.

18. DEFAULT

18.1 District Default.

(a) It shall be a default of the District ("**District Default**") hereunder if the District fails to (i) pay Annual Rental on the date due and such failure shall remain uncured for a period of 10 Business Days after Landlord notifies the District in writing of such failure; (ii) perform or observe

any non-monetary obligation of the District under this Lease within 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 shall occur; or (iv) the District abandons the Premises. It is specifically understood and agreed that any failure to take any action that might be deemed to violate the Anti-Deficiency Acts or any failure to obtain appropriated funds in accordance with Section 27.1 after the District has included in the then-current services funding level package a request sufficient to fund the District's known financial obligations under this Lease for such fiscal period shall not constitute a District Default.

(b) Upon the occurrence of a District Default, Landlord, in its sole discretion, may seek all remedies available to it at law or equity; In accordance with Section 27.1, any deficiency in Annual Rental or any financial obligation of the District shall not exceed the amount of funds actually appropriated and lawfully available during the existence of a District Default. Notwithstanding anything to the contrary herein, Landlord agrees to use commercially reasonable efforts to relet the Premises and mitigate damages following the surrender of, or Landlord's recovery of, possession of the Premises.

(c) Neither the payment by the District of a lesser amount than the monthly installment of Annual Rental due hereunder (or any other financial obligation), 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 the District, Landlord may apply any payment received from the District to any payment then due under the 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 60 days from the date Landlord receives written notice thereof from the 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 60-day period, so long as Landlord promptly commences the curing of such failure within such 60-day period and thereafter diligently prosecutes to completion the curing of such failure but no later than 120 days from the date of the notice. It is specifically understood and agreed that any failure by Landlord to take any action that might be deemed to violate the Anti-Deficiency Acts or any failure of funds to be appropriated in accordance with Section 27.1 to fulfill Landlord's obligations under this Lease notwithstanding Landlord's request therefor shall not constitute a Landlord Default.

(b) Upon the occurrence of a Landlord Default, the District may pursue any remedies available to it at law or equity.

19. SUBORDINATION

19.1 Landlord represents and warrants to the District that Landlord holds, as of the Lease

Commencement Date, title to the Property and the full right and power to provide the District with the use of the Premises and Parking Facility as is necessary for the District's unfettered ingress and egress to and from the Property, the Building, the Parking Facility, and the Premises, and the District's full use and enjoyment thereof in accordance with the provisions of this Lease. Landlord covenants to the District that, so long as Landlord owns the Property during the Lease Term, Landlord shall hold title to the Property and shall have the full right and power to provide to the District full use and enjoyment of the Property in accordance with the provisions of this Lease. Subject to Section 19.2 of this Lease, 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 encumber the Building or the Land, or both (collectively, "**Mortgages**", or singularly "**Mortgage**") of record after the Lease Commencement Date, to all funds and indebtedness intended to be secured thereby, and to all renewals, extensions, modifications, recastings or refinancings thereof, provided that Landlord and the applicable mortgagee, lien holder, or ground lessor (each, a "**Mortgagee**") execute and deliver to the District, at no cost to the District, a subordination, non-disturbance and attornment agreement on the District's form (an "**SNDA**"). If Landlord and the applicable mortgagee, lien holder, or ground lessor do not execute and deliver to the District an SNDA on the District's form, this Lease shall not be subordinate to any such Mortgage unless and until Landlord delivers such an SNDA to the District.

19.2 Landlord represents and warrants that no Mortgage affects the Building as of the Lease Commencement Date or the Rent Commencement Date. Notwithstanding any other provision of this Lease, Landlord shall provide the District with an SNDA from any current Mortgagees on terms acceptable to the District as a condition precedent to the Rent Commencement Date and the District's obligation to pay Landlord any Annual Rental or Additional Rent.

19.3 Absent the District's express, written consent, any executed SNDA shall not modify or change any terms of this Lease. Upon the District's execution of the SNDA and provided no District Default shall have occurred and be continuing, the District's leasehold estate, use, possession, tenancy, rights, options, and occupancy under this lease shall remain undisturbed and shall survive foreclosure, deed in lieu of foreclosure, or any similar judicial or non-judicial action.

20. ESTOPPEL CERTIFICATE

Within 30 Business Days of receipt of Landlord's written request at any time and from time to time but not more than twice in a 12-month period, the District shall execute and deliver to Landlord and/or any other person or entity designated by Landlord, a written statement certifying the following on the District's form ("**Certificate**"): (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 Annual Rental, Additional Rent and any other charges have been paid; (c) whether or not, to the District's actual knowledge, Landlord is in default in the performance of any of Landlord's obligations hereunder, and if Landlord is in default, specifying the nature thereof; (d) that the District has accepted the Premises; (e) that any other work performed by Landlord (on the District's behalf) with respect to the Premises have been completed; (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 of Columbia 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 thereto); and (i) containing such other factual information as may reasonably be requested by Landlord. The District's failure to execute and deliver to Landlord the Certificate required by this Section 20 shall constitute a District Default.

21. ASSIGNMENT AND SUBLETTING

21.1 The District shall not assign or transfer (collectively, "**Assign**") this Lease or all or any of the District's rights hereunder or interest herein, or sublet or permit anyone to use or occupy (collectively, "**Sublet**") the Premises or any part thereof.

22. HOLDING OVER

If the District (or anyone claiming through the District) does not immediately surrender the Premises or any portion thereof upon the expiration of the then applicable Lease Term, or earlier termination date (as expressly provided in this Lease), as applicable, then subject in all events to the Anti-Deficiency Acts, applicable Laws, appropriate authorization from the District, and lawfully appropriated, certified, and available funds, (a) the Annual Rental payable by the District hereunder shall be increased to one hundred twenty-five percent (125%) of the Annual Rental payable by the District during the month immediately preceding such holdover. Any such holdover shall be deemed to be a tenancy from month-to-month. Notwithstanding any other provision of this Lease, Landlord's right to recover damages arising from a holdover period shall be limited to the right to (i) collect the increased Annual Rental provided above; or (ii) evict the District. Under no circumstances shall the District be liable to Landlord for any other damages whatsoever arising directly or indirectly from the holdover period. In no event shall any holdover be deemed a permitted extension or renewal of the Lease Term, and nothing contained herein shall be construed to constitute Landlord's consent to any holdover or to give the District any right with respect thereto. Notwithstanding any other provision of this Lease, Landlord's acceptance of Annual Rental during any holdover period shall not in any manner adversely affect Landlord's other rights and remedies under this Lease. The District's obligations during any such holdover period shall remain subject to the Anti-Deficiency Acts and applicable Laws.

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, the District shall during the Lease Term peaceably and quietly occupy and enjoy the full possession of the Premises without hindrance by Landlord or its Representatives.

24. LANDLORD AND TENANT RELATIONSHIP

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

24.2 The District represents and warrants that it is not represented by any agent or broker in connection with this Lease. Landlord represents and warrants that it is not represented by any agent or broker in connection with this Lease.

25. GENERAL PROVISIONS

25.1 Waiver of Jury Trial. LANDLORD, THE DISTRICT, ALL GUARANTORS, AND ALL REPRESENTATIVES 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 THE DISTRICT HEREUNDER, THE DISTRICT'S USE OR OCCUPANCY OF THE PREMISES AND/OR ANY CLAIM OF INJURY OR DAMAGE. LANDLORD, THE DISTRICT AND ANY REPRESENTATIVE OF LANDLORD 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 Business Day after being sent by United States certified mail, return receipt requested, postage prepaid. District's Notice Address and Landlord's Notice Address set forth above shall be the Parties' initial addresses for notices. 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 only 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 permitted assigns.

25.7 Integration. The Parties confirm that 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.

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 Landlord and the District.

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

25.11 Counterparts. This Lease may be executed in multiple counterparts and by facsimile or e-mail .pdf, 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 any money laundering laws, 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. Landlord represents and warrants that 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 and the Anti-Deficiency Acts, the 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. Subject to applicable Laws and the Anti-Deficiency Acts, Landlord'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 the 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 the District's payment of Annual Rental when due under this Lease, unless otherwise specifically provided in the Lease.

25.16 Review. A Party's review, approval and consent powers (including the right to review design plans or construction drawings), 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, the District shall deliver to Landlord all keys and key cards to the Building and the Premises, whether such keys were furnished by Landlord or otherwise procured by the District.

25.19 No Partnership; No Third Party Beneficiaries. Nothing contained in this Lease shall be deemed or construed to create a partnership or joint venture of or between Landlord and the District, or to create any other relationship between the parties hereto other than that of landlord and tenant. Nothing contained in this Lease shall be deemed or construed to create any third party beneficiaries. The only entities that the parties intend to be benefitted by this Lease are Landlord and the District.

25.20 Not a Contract for Goods or Services. This Lease is not intended to be, nor shall it be deemed or construed to be a contract for goods or services. Nothing contained in this Lease, and no future action or inaction by the District under this Lease, shall be deemed or construed to mean that the District has contracted with Landlord to perform any activity at the Premises or the Property that is not ancillary to the conveyance of an interest in real property. Landlord expressly acknowledges that the District is prohibited by law from entering into contracts for goods and services without following the procedures set forth in the Procurement Practices Reform Act of 2010, D.C. Official Code § 2-351.01, *et seq.*, as may be amended from time to time, or any other applicable procurement authority.

26. ASBESTOS CERTIFICATION.

26.1 Certification. Landlord certifies that to the best of its knowledge it has disclosed all asbestos surveys or inspections within its custody that have been conducted by or on behalf of Landlord concerning the Building (including the Premises). Based upon these surveys and inspections, if any, Landlord further certifies that to the best of its knowledge it has not received any written notice that any asbestos-containing materials ("ACM") in the Building (including the Premises) are in violation of applicable Laws (which violation remains uncured). Landlord has furnished copies of these asbestos surveys or inspections (if any) to the District prior to the Lease Commencement Date. If any asbestos inspection is conducted, Landlord shall furnish a copy thereof to the District 10 days prior to the Lease Commencement Date. The D.C. Office of Occupational Safety and Health is authorized to conduct a visual inspection of the Building (including areas not demised hereunder) at any time after the Lease Commencement Date hereof and during the Lease Term. The certifications made by Landlord regarding asbestos and hazardous waste management contained herein are material representations of fact upon which the District has relied in entering into this Lease.

26.2 Inspection; Abatement. Upon discovery by Landlord, or upon notice to Landlord by the District or any other person of the presence of suspected ACM in the Building in violation of any applicable Laws, Landlord 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 Landlord of the written report of such finding, Landlord shall deliver to the District a copy

thereof. Landlord shall at its sole cost and expense cause any ACM in violation of applicable Laws noted in such report to be removed, contained or otherwise brought into compliance with all applicable Laws. Prior to commencement of any abatement action, Landlord shall consult with the District and receive approval of the District, such approval not to be unreasonably withheld, conditioned or delayed concerning the nature of the abatement action. If Landlord fails promptly to commence and diligently pursue removal, containment or other compliance procedures with respect to the ACM after notice to Landlord of the same, the District, after giving Landlord ten (10) Business Days' notice, may elect to perform such work or terminate this Lease, and in either event the District may pursue any other right or remedy available to it under this Lease, at law or in equity. Provided that the asbestos was not placed in the Building by the District or its Agents, if the asbestos or the abatement action halts or interferes with the District's use of the Premises and in fact the District does not use the Premises for more than 5 Business Days, then Annual Rental and any Additional Rent, in proportion to the amount of space rendered unfit for occupancy and vacated, shall be abated beginning on the date that the District ceases to use all or such portion of the Premises.

27. SPECIFIC DISTRICT OF COLUMBIA LAWS

27.1 Anti-Deficiency Limitations.

(a) Whether expressly or impliedly qualified or limited in any Section of this Lease, the obligations of the District and Landlord to fulfill any financial obligation pursuant to this Lease or any subsequent agreement entered into pursuant to this Lease, or referenced herein, to which the District or Landlord is a party (each, an "**Other Agreement**") 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), 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 (2006 Supp.) ((i) and (ii) collectively, as may be 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 (2006 Supp.), as may be amended from time to time, to the extent applicable to this Lease or any Other Agreement (collectively, "**Any Agreement**"). To the extent required by the Anti-Deficiency Acts, nothing in Any Agreement shall create an obligation of the District or Landlord in anticipation of an appropriation by the United States Congress ("**Congress**") for such purpose, and neither Landlord's nor the District's legal liability for the payment of any financial obligation or any component thereof under Any Agreement shall arise or obtain in advance of the lawful availability of appropriated funds for the applicable fiscal year as approved by Congress and the District of Columbia (references to the "District of Columbia" in this Section 27.1 shall refer to the District of Columbia as a sovereign entity, and not as a tenant). During the term of this Lease, the District of Columbia agency authorized and delegated by the Mayor of the District of Columbia to administer this Lease shall, for each corresponding District of Columbia fiscal period, include in the then-current services funding level package a request sufficient to fund the District's known financial obligations under this Lease for such fiscal period. Landlord confirms that it has read and familiarized itself with the Anti-Deficiency Acts and has full knowledge of such laws and the impact on the District's and Landlord's financial obligations hereunder.

(b) If no appropriation is made by the District of Columbia or Congress to pay any financial obligation under Any Agreement for any period after the District of Columbia fiscal year for which appropriations have been made, and in the event appropriated funds for such purposes are not

otherwise lawfully available, neither Landlord nor the District shall be liable to make any payment under Any Agreement upon the expiration of any then-existing appropriation. In such case, the District shall promptly notify Landlord (or Landlord shall promptly notify the District) and this Lease shall immediately terminate upon the expiration of any then-existing appropriation as if such expiration were the expiration date of this Lease, and the District shall immediately vacate the Premises.

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

(d) Any Agreement shall not constitute an indebtedness of the District of Columbia nor shall it constitute an obligation for which the District of Columbia is obligated to levy or pledge any form of taxation or for which the District of Columbia has levied or pledged any form of taxation. No Agent of the District is authorized to obligate or expend any amount under Any Agreement 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, the District shall promptly provide to Landlord notice thereof, detailing with specificity Landlord’s noncompliance. If Landlord does not correct such noncompliance within 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 in 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 the District building services and utilities, 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 the 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, 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 the 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, the District shall promptly provide to Landlord notice thereof, detailing with specificity Landlord's noncompliance. If Landlord does not correct such noncompliance within 60 days after its receipt of such notice from the District specifying such noncompliance, the 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, except contracts for standard commercial supplies or raw materials, unless exempted by rules, regulations or orders of the 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 the 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 the District, Landlord shall give notice thereof to the District and Landlord may request that the District enter into such litigation to protect the interests of the District.

27.4 Contingent Fees.

(a) No Contingent Fees. Except for Landlord's broker, if any, 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, the District shall have the right in its discretion, to deduct from the Annual Rental and any Additional Rent, or otherwise recover, the full amount of any Contingent Fee.

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

(c) Landlord represents and warrants that no officer, agent, employee, elected official or other representative of the District (both as a sovereign entity and a tenant under this Lease) or of the Council of the District of Columbia (each, a “**Tenant Employee**”), has received any payment or other consideration from Landlord for the negotiation, execution, delivery or performance of this Lease, and that no such person has any interest, direct or indirect, in this Lease, the proceeds thereof or related thereto. The negotiation, execution, delivery and performance of this Lease by the District has not been, and shall not be, induced by, the result of or based on Improper Influence. “**Improper Influence**” means any influence that induces or intends to induce a Tenant Employee to give consideration or to act regarding a lease with the District on any basis other than on the merits of the matter or in violation of any Laws or regulation regarding the acquisition by the District of Columbia of a leasehold interest.

27.5 Authority.

(a) 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 true and correct in all material respects.

(b) By executing this Lease, Landlord represents to the District that: (i) it is authorized to enter into, execute and deliver this Lease and perform its obligations hereunder; (ii) this Lease is effective and enforceable against Landlord in accordance with its terms; (iii) the person signing on behalf Landlord is duly authorized to execute this Lease; (iv) no other signatures or approvals are necessary in order to make all of the representations of Landlord contained in this Section true and correct in all material respects; (v) Landlord is in good standing in the District of Columbia and shall remain so for the duration of the Lease; and (vi) Landlord is in compliance with all District of Columbia laws and regulations applicable to Landlord and shall remain so for the duration of the Lease.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURE PAGES AND EXHIBITS FOLLOW]

|

7/15/16

IN WITNESS WHEREOF, Landlord and the District has each caused its respective duly authorized representative to execute and deliver this Lease to be effective as of the Lease Commencement Date.

LANDLORD:

_____,
Ronald F. Mason, Jr. J.D.
President
University of the District of Columbia

Approved as to Legal Sufficiency for the University of the District of Columbia by:
The Office of the General Counsel for the University of the District of Columbia

By: _____
Karen M. Hardwick
General Counsel

7/15/16

TENANT:

DISTRICT OF COLUMBIA,
a municipal corporation, acting by and through its
Department of General Services

By: _____
Name: Christopher E. Weaver
Title: Director

Approved as to Legal Sufficiency for the District of Columbia by:
The Office of the General Counsel for the Department of General Services

By: _____
Katherine Jough, Senior Assistant General Counsel

[EXHIBITS FOLLOW]

EXHIBIT A

Description of Premises

EXHIBIT B

Plat of the Land

EXHIBIT C**Form of Declaration of Delivery****DECLARATION OF DELIVERY OF PREMISES**

This Declaration of Delivery of Premises (this “**Declaration**”) is attached to and made a part of that certain In-Lease dated the ____ day of _____, 20____, and is made effective as of _____, 20__ (the “**Declaration Effective Date**”), and is entered into by and between _____, a _____ (“**Landlord**”), and the DISTRICT OF COLUMBIA, a municipal corporation, acting by and through its Department of General Services (“**Tenant**”).

Capitalized terms used, but not defined, herein shall have the meanings ascribed to them in the Lease. Landlord and Tenant do hereby confirm that:

1. the Premises was delivered by Landlord to Tenant on _____, ____;
2. the Lease Commencement Date is hereby established to be _____, _____;
3. the Rent Commencement Date is hereby established to be _____, _____;
4. the Initial Lease Term shall expire on _____, ____, unless sooner terminated; and
5. Landlord has delivered to Tenant a copy of the certificate of occupancy for the Premises.

[TWO SIGNATURE PAGES TO FOLLOW]

IN WITNESS WHEREOF, Landlord and Tenant have caused their respective duly authorized representative to execute and deliver this Declaration to be effective as of the Declaration Effective Date.

LANDLORD:

_____,
a(n) _____

By: _____

Name: _____

Title: _____

Approved as to Legal Sufficiency for the University of the District of Columbia by:
The Office of the General Counsel for the University of the District of Columbia

By: _____
Karen M. Hardwick
General Counsel

[TENANT'S SIGNATURE PAGE TO FOLLOW]

TENANT:

DISTRICT OF COLUMBIA,
a municipal corporation, acting by and through
its Department of General Services

By: _____
Name: _____
Title: _____

Approved as to Legal Sufficiency for the District of Columbia by:
The Office of the General Counsel for the Department of General Services

By: _____
[Senior/Assistant] General Counsel