

DATE OF LEASE: *MARCH 1, 2010*

LEASE #GS-11B-02171

THIS LEASE, made and entered into this date between **CARR PROPERTIES WOODMONT PLACE, LLC**
Whose address is: 1776 Eye Street, NW
Suite 500
Washington, DC 20006

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

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

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

A total of approximately 44,761 Rentable Square Feet (RSF) being **40,015 ANSI BOMA Office Area Square Feet (BOASF)** and being the entire Second (19,963 BOASF) and Third (20,052 BOASF) floors of the building known as **Woodmont Place**, with the address being 1451 Rockville Pike, Rockville, MD 20852, as noted on the attached floor plans and made a part hereof.

To be used for office and related purposes.-

2. **TO HAVE AND TO HOLD** the said premises with their appurtenances for the five (5) YEAR FIRM term beginning on the commencement date determined in accordance with section 3.17 "Construction Schedule of Tenant Improvements" of the SFO, and ending five (5) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay the Lessor an annual rent of \$1,460,540.75 (\$36.05/BOASF [\$35.25 + \$.80 daytime cleaning] + \$18,000 for 15 contracts for reserved parking spaces) at the rate of \$121,711.73 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$349,731.10 (\$8.74/BOASF), base real estate taxes and \$160,060.00 to amortize a tenant improvement allowance of \$800,300.00 (\$20.00 /BOASF) at zero percent (0%) annual interest. The annual reserved parking contract fee is subject to increases by the Lessor's garage operator of 3% per calendar annum. Rent checks shall be payable to Carr Properties Woodmont Place, LLC, at the address shown above.

4. This lease may be renewed at the option of the Government, for the following term and at the following rental: The Government shall have the right to one (1) renewal option for a [REDACTED] at an annual rental rate of [REDACTED] payable at the rate of [REDACTED] per month in arrears. The operating cost, tax bases and parking contract rates shall be recomputed for a new five-year term at the beginning of the option term. Rent shall continue to be adjusted for operating costs escalations as provided in SFO 07-015. The renewal option shall become effective provided notice be given in writing to the Lessor at least 180 days before the end of the original lease term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

5. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
EXCEPT AS SET FORTH BELOW OR ELSEWHERE IN THIS LEASE, ALL SERVICES, IMPROVEMENTS, ALTERATIONS, REPAIRS, AND UTILITIES AS DEFINED BY THIS LEASE. THIS LEASE IS FULL SERVICE.

a) Prior to substantial completion of the leased premises, the Lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation report prepared by a Certified Fire Protection Engineer, as well as the recommendations and findings of the GSA Fire Protection Engineering Section's review of the report, attached hereto and made a part hereof.

- b) Tenant Improvements: Upon completion of improvements by Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is greater or less than \$20.00/BOASF, the rent shall be adjusted accordingly. (See SFO Section 3.2) Tenant improvements financed by the Lessor above the initial \$20.00 per BOASF shall be amortized at the annual interest rate of twelve percent (12%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$1,683,831.20/BOASF (\$42.08/BOASF) in tenant improvements. Any tenant improvements funded by the Lessor in excess of this amount shall be repaid by the Government via lump sum payment.
- c) The Government's percentage of occupancy for real estate tax purposes shall be 42.72%, based on 44,761 BRSF / 104,782 BRSF, subject to confirmation of the total rentable area of the entire building.
- d) The HVAC Overtime rate for leased premises shall be \$45 per hour per floor. This rate shall escalate in accordance with other operating costs as established in SFO Paragraph 3.7 Operating Costs.
- e) In connection with the buildout of tenant improvements, the following limits on markups shall apply: general contractor's total fees for overhead and profit shall not exceed 6%, the total fees for general conditions shall not exceed 6% and the total fees for construction management/coordination fees shall not exceed 6%. Architectural and engineering fees, if any, shall not exceed 5%. Any such fees will be paid for out of the tenant improvement allowance. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.
- f) All work must be completed by the Lessor in accordance with the design and construction schedule in Section 3.18 of the SFO and Attachments #2 and #3. The Construction Schedule described in Paragraph 3.18 of the SFO and Attachments #2 and #3 are more particularly described in the construction timeline attached as Rider #1 attached hereto. The Construction Schedule shall commence within five (5) days of the Lease award. Failure on the part of the Government to provide the Lessor with the Program of Requirements within five (5) days of Lease award shall be considered a Government Delay. The Government will be allowed one (1) set of changes to the Design Intent Drawings (DID's) before Construction Drawings (CD's) are commenced. If the Government makes changes to the CD's that are inconsistent with the Government's approved DID's, then the Government shall be responsible for the delays and costs resulting from such modifications or changes. Any delay by the Lessor in performing the Tenant Improvements shall be "net" of any Government Delay. Delays in issuance of a building permit after Lessor has applied for a permit with all due diligence and delays by city inspectors in completing inspections necessary to issue the Certificate of Occupancy for the building will be considered excusable delay.
- g) In addition to the reserved parking contracts recited in Paragraph 3, the Government shall have the right to enter into monthly parking contracts with Lessor's parking operator for up to 138 parking spaces, at an initial monthly cost of \$100 per reserved parking contract and \$70 per unreserved parking contract. Any sums due and payable for parking pursuant to this lease shall be paid directly to the Lessor's parking contractor by the Government's end-user through a separate service contract, and shall be subject to change from time to time as the market rates for parking contracts are modified by Lessor or its parking operator. Landlord may designate by written notice to the Government that a portion of the reserved and unreserved parking spaces allocated for the Government's use may be located on the surface parking lot serving the building.
- h) The Government shall be entitled to a rent abatement in the amount of \$235,088.13 (2 month's free rent excluding daytime cleaning) in the firm term of this lease and an additional \$274,302.83 (2 months' free rent excluding daytime cleaning) in the event that the Government exercises its option to renew this lease as described in Paragraph 5.
- i) Prior to lease commencement, the Lessor shall ensure, at its cost and expense, that the building, including but not limited to the restrooms on the Second and Third floors, complies with the Architectural Barriers Act Accessibility Standard (ABAAS), per SFO Section 4.12. In the event that any work required under this paragraph results in a change in the total BOASF available to the Government on these floors, the square footage and total rent due shall be adjusted accordingly. The rental rate shall remain \$41.93/BOASF, as recited in Paragraph 3 hereof.
6. There is any conflict between this SF-2 and the balance of the lease, the terms specified in this SF-2 shall govern.

7. The following are attached and made a part hereof:

- 1. Solicitation For Offers (SFO) # 07-015, 52 pages
- 2. Solicitation Attachment #1, Rate Structure, 1 page
- 3. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOMA OASF, 1 page.
- 4. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
- 5. Solicitation Attachment #4, Fire and Life Safety Report, Including GSA Fire Protection Branch Review, pages
- 6. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
- 7. GSA Form 3516, Solicitation Provisions, 6 pages
- 8. GSA Form 3517, General Clauses, 32 pages
- 9. GSA Form 3518, Representations and Certifications, 8 pages
- 10. Floor Plans of Leased Area, 1 page
- 11. Rider #1 - Fire & Life Safety, page
- 12. Rider #2 - Security Requirements, 1 page

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR :

CARR PROPERTIES WOODMONT PLACE, LLC, a Delaware limited liability company

By: 1451 Rockville Pike, LLC, its Sole Member and Manager

By: Carr Properties RE II LLC, its Sole Member and Manager

By: Carr Properties NC II LLC, its Sole Member

By: Carr Properties OC LLC, its Managing Member

BY 
 Date Feb. 14, 2010

BY Oliver T. Carr, III
 TITLE President

IN PRESENCE OF 

ADDRESS Carr Properties, 1776 Eye St., NW
 Suite 500, Washington, DC 20006

UNITED STATES OF AMERICA

BY

CONTRACTING OFFICER, GSA, NCR

STANDARD FORM 2
FEBRUARY 1965 EDITION
 MCLEAN 347784.3 102571.001

EXCEPTION TO SF2 APPROVED
Revised 10/5/2009