

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE #GS-11B-02310

7/14/2011

THIS LEASE, made and entered into this date between **Parklawn North Lot LLC**  
whose address is **4445 Willard Avenue, Suite 400**  
**Chevy Chase, MD, 20815**

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.

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

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

A total of 490,998 BOMA Rentable Square Feet (RSF) (yielding 434,276 ANSI/BOMA Office Area Square Feet (ABOA SF)) and consisting of the entire building of 10 floors (Garden Level, Lobby Level, and Floors 2-9) above grade located at 5601 Fishers Lane, Rockville, MD, 20852 to be used for SUCH GENERAL OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT together with 7 reserved and secured parking spaces in the building's adjacent structured parking garage (See floor plans of leased premises, parking plans, site plans, and BOMA summary included in Attachment A).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing in accordance with the terms of the Solicitation for Offers SFO # 9MD2192, as amended (SFO), including SFO paragraphs 1.9 and 5.12, and General Clauses 12 and 20, and continuing for 15 years from the commencement date. The commencement date and term shall be established in accordance with the SFO in a Supplemental Lease Agreement.

3. The Government shall pay the Lessor annual rent of \$15,589,186.50 (\$31.75/RSF; \$35.90/ABOA SF) at the rate of \$1,299,098.88 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **Parklawn North Lot, LLC, 4445 Willard Avenue, Suite 400, Chevy Chase, MD, 20815**, or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of \$18,358,995.21 applied as follows: (a) rent for the first twelve (12) full months of the lease term (inclusive of operating costs and amortization of the tenant improvement allowance) in the total amount of \$15,589,186.50 shall be abated entirely; and (b) a portion of the monthly shell rent shall be partially abated during the 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, and 16<sup>th</sup> full months of the lease term, in equal monthly amounts of \$692,452.18, for a total amount of \$2,769,808.72, as more fully set forth in paragraph 6(D) below.

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4. (Intentionally Deleted)

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5. (Intentionally Deleted)

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included as a component of the rent.

B. The base building design and construction shall meet or exceed the requirements of the SFO without exception and, in addition, shall result in a quality of building architecture, building systems, construction, and finishes and a level of planning efficiency and flexibility in accordance with the narrative descriptions, specifications, and elevations set forth in Attachment M hereto. The building facades and massing shall be materially consistent with the rendering included in Attachment M hereto, subject to adjustments required as a result of the Site Plan approval process at Montgomery County Park and Planning Commission. In the event of a conflict between the SFO and Attachment M, the more stringent provision shall apply.

C. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$19,798,642.84 (\$45.59/ABOA SF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, with the \$45.59/ABOA SF being amortized at a rate of 0% over the fifteen-year firm Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 3.3 "Tenant Improvement Rental Adjustment" and Paragraph 5.3 "Tenant Improvements Pricing Requirements." All tenant improvements shall meet the requirements of the SFO and its attachments, including the Government's Program of Requirements (Attachment N hereto) and all updates thereto.

D. In accordance with Paragraph 2.5 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the lease value for years 1-10 and [REDACTED] of the lease value for years 11-15 of the fifteen year firm term. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED] and shall be paid as free rent in equal monthly installments of [REDACTED] during the 13<sup>th</sup>, 14<sup>th</sup>, 15<sup>th</sup>, and 16<sup>th</sup> months of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of [REDACTED], which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the thirteenth month of the lease term and continue as indicated in this schedule for adjusted Monthly Rent:

Thirteenth Month's Rental Payment of \$1,299,098.88 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Thirteenth Month's Rent;

Fourteenth Month's Rental Payment of \$1,299,098.88 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourteenth Month's Rent;

Fifteenth Month's Rental Payment of \$1,299,098.88 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifteenth Month's Rent; and

Sixteenth Month's Rental Payment of \$1,299,098.88 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Sixteenth Month's Rent.

E. For purposes of Paragraphs 4.2 and 4.3 of the SFO, as of the date hereof, the Government's percentage of occupancy is 100%, based on occupancy of 490,998 RSF in a building of 490,998 RSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 4.2(C) of the SFO.

F. For purposes of Paragraphs 4.3 of the SFO, as of the date hereof, the operating cost base is \$4,677,306.00 or \$9.53 per RSF for 490,998 RSF or \$10.77 per ABOA SF for 434,276 ABOA SF.

G. Pursuant to Paragraph 4.1(C) "Common Area Factor", the Add-On Factor is determined to be 1.13061279, calculated as follows: 490,998 RSF/434,276 ABOA SF.

H. In connection with the buildout of initial tenant improvements of up to \$80.00/ABOA SF above the warm lit shell, including change orders, the following markups, fees, and design costs shall apply: (i) Lessor's Supervision, Management, Overhead and Profit - 4%, General Contractor's Overhead and Profit - 3%, General Conditions - 7%; and (ii) architectural/engineering costs (including all architectural and engineering services and specialty consultants as set forth in SFO Paragraph 5.12(D)(1)) shall be \$5.75/ABOA SF. The Government and Lessor reserve the right to negotiate all markups for initial tenant improvements in excess of \$80.00/ABOA SF above the warm lit shell. In the event that the Government exercises its option for a Warm Lit Shell Credit, as set forth in SFO Paragraph 1.2(D), the foregoing markups and fees shall also apply to the work funded with the Warm Lit Shell Credit, except that the additional design costs applicable to such work shall be only \$0.08/ABOA SF.

I. Pursuant to Paragraph 1.2(D) of the SFO, the Warm Lit Shell Credit, if exercised, shall be \$7,827,889.00 (\$18.03 per ABOA SF).

J. Pursuant to paragraph 4.5 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 5:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). Pursuant to Paragraphs 1.2(Q) and 4.6 of the SFO, overtime HVAC service shall be provided beyond the aforementioned Normal Hours Schedule, as follows: (1) Regularly scheduled overtime HVAC shall be provided to the entire leased premises from 6:00 am to 7:00 am and from 5:00 pm to 6:00 pm, Monday through Friday (exclusive of federal holidays) ("Regularly Scheduled Overtime") at an annual rate of \$58,000.00, which shall be billed by the Lessor and payable by the Government at the rate of \$4,833.33 per month in arrears separate and apart from the rent set forth in Paragraph 3 of this SF2; and (2) additional overtime beyond the above-referenced Normal Hours Schedule and Regularly Scheduled Overtime shall be provided at a rate of \$50.00 per hour per floor. A minimum of four hours shall be charged for usage on weekends and federal holidays. The foregoing overtime HVAC rates shall escalate in a manner consistent with section 4.3 "Operating Costs" in the SFO. The foregoing overtime HVAC rates are inclusive of all utilities, materials, labor, maintenance, service and engineering fees. Pursuant to SFO Paragraph 1.2(H), utilities required to provide 24x7 HVAC in the following spaces shall be separately metered and the Government shall be directly responsible for the cost of such utilities: the Data Center, Crisis Management Center and adjacent Pantry/Break Room and toilets, Broadcast Video Room, Main Telecommunications Room and each Telecomm/LAN Distribution Room.

K. The adjustment to the rent for space previously occupied by the Government and then vacated is \$2.00 per ABOA SF if at least one-half floor, but less than one full floor, is vacated, \$3.00 per ABOA SF if one full floor or more, but less than all of the leased premises, is vacated, and \$4.00 per ABOA SF if the entire leased premises is vacated.

L. Pursuant to paragraph 4.9(A) of the SFO, the Government shall have the continuing right, exercisable at any time throughout the lease term, to require that after-hours cleaning be converted to daytime cleaning at an additional cost of \$0.37 per ABOA SF, which shall be subject to annual escalations in a manner consistent with section 4.3 "Operating Costs" in the SFO.

M. As part of the Lessor's building shell obligation under the Lease, Lessor hereby agrees to obtain a US Green Building Council Leadership in Energy and Environmental Design (LEED) Core and Shell (CS) certification no later than lease commencement or as soon thereafter as reasonably possible. Such LEED-CS certification shall be in addition to the LEED-CI certification required by SFO Paragraphs 1.2(U).

N. Pursuant to Paragraphs 10.12 and 10.24 of the SFO, the Government has full security control over all parking areas, surface or structured. The annual rent set forth in Paragraph 3 above includes seven (7) reserved and secured parking spaces in the building's adjacent structured parking garage. In addition, during the term of the lease, the Government, including Government employees occupying the leased premises, may purchase individual permits separate and apart from the rental due under Paragraph 3 hereof for up to 660 parking permits in the on-site structured parking garage and up to 440 parking permits in the on-site surface parking lot (or in additional on-site structured parking facilities) at annual rates of \$1,260.00 (\$105.00 per month) per permit and \$1,800.00 (\$150.00 per month) per reserved space. Commencing on the first anniversary of the Lease, and every anniversary thereafter, the foregoing parking rates shall escalate by three percent (3%) per annum. The Lessor shall be entitled to utilize approximately 20 parking spaces outside of the Government's security perimeter, but on the same property.

  
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which are separate from the spaces to be made available for purchase by the Government as set forth above.

O. Prior to acceptance of the first phase of the premises as substantially complete, Lessor agrees to furnish an updated SFO Attachment #4 for Fire Protection and Life Safety Evaluation. Lessor shall ensure and provide as necessary at Lessor expense, all Fire and Life Safety improvements of this SFO to ensure that the building meets all local and national codes including NFPA 101. Lessor agrees to make improvements specified as part of the Attachment #4 and as recommended by GSA fire safety review. All improvements must be made prior to the Government's acceptance of the first phase of the premises.

P. Prior to acceptance of the first phase of the premises as substantially complete, Lessor agrees to furnish a seismic certification showing that the building construction fully complies with section 2.2 "Seismic Safety" of the SFO.

Q. Lessor and the Government have agreed to a schedule for the design, construction and delivery of space that is consistent with the terms and the timeframes set forth in the SFO and that provides for phased delivery, acceptance, and occupancy over a 150 working day period. The agreed upon schedule is attached as Attachment K. The start date for the initial task shall commence upon the full execution of this Lease. The start dates for all subsequent Tenant Improvement tasks shall adjust accordingly with the durations for each task remaining the same. Should either the Government or the Lessor fail to discharge their responsibilities as defined herein within the time allocated under the agreed upon construction schedule, such shall constitute "delay, unless it is Excusable Delay or does not otherwise result in a delay is the actual substantial completion date. Delay caused by either party may be offset by the early completion of that party's other responsibilities within the schedule. The absolute value of the number of days of one party's delay minus the number of days of the remaining party's delays shall equal the total number of days of delay for a given stage of the schedule. Delay in substantial completion shall then be attributable to the party having caused the greatest number of days of delay and shall be termed either "Government Delay" or "Lessor Delay" as appropriate.

If Government Delay occurs, then the rent commencement date shall be the same number of days earlier than the acceptance date as the number of days of Government Delay. Any rental paid by the Government prior to actual occupancy shall be less the cost for services and utilities (Base Cost of Services per line 27 of the Form 1217) of the vacant premises. In any event, the Government will not be required to accept space and commence rent prior to the original date as indicated in the "Occupancy Date" paragraph of the SFO, unless otherwise agreed to by the Government. Each day of Lessor Delay will be governed by Paragraph 5.7 of the SFO.

R. Pursuant to SFO Paragraph 3.8, the Lessor shall implement, at its sole cost and expense and prior to lease commencement, the following mitigation measures necessary to achieve the 215 trip mitigation, as identified in the Lessor's Traffic Impact Study, dated February 28, 2011: (i) enter into a traffic mitigation agreement with Montgomery County to target an 18 percent trip reduction; (ii) construct approximately 4,374 feet of 10-foot wide hiker/biker trail; and (iii) construct a minimum 200 foot long sidewalk along the west side of the proposed new public road. In addition, if required by the Maryland State Historic Preservation Office, the Lessor shall, at its sole cost and expense and prior to commencing construction, consult with the Maryland Historical Trust in accordance with the *Standards and Guidelines for Archeological Investigations in Maryland* and provide a Phase I Archeology Survey.

S. The Government is hereby granted the right (the "Renewal Option"), at its option, to extend the Lease Term beyond the Initial Term for one (1) additional period of [REDACTED]. The Government may exercise its Renewal Option ONLY for all of the Leased Premises and the improvements located therein.

The parties hereto agree that if the Government chooses to exercise the Renewal Option, the Base Rent for the Leased Premises throughout the Renewal Term will be ninety-five percent (95%) of the then current market rate at the beginning of the Renewal Term, exclusive of any Government Tenant Broker Fees ("Fair Market Rent"). The Fair Market Rent shall be determined in accordance with the appraisal procedure described below; provided that, the Base Rent shall not in any event, on a "per rentable square foot" basis, be less than one hundred percent (100%) of the Base Rent for the last Lease Year of the Initial Term.

Fair Market Rent shall be based on the full service rental rate per rentable square foot for similar first class office buildings in the Rockville area of Montgomery County, Maryland. During the Renewal Term, the base Operating Expenses as defined on GSA Form 1217 shall be adjusted to equal the actual Operating Costs incurred in the first year of the Renewal Term. Annual adjustments will be calculated during the Renewal Term pursuant to the Solicitation.

Not later than the 144<sup>th</sup> month of the Initial Term, nor earlier than the 138<sup>th</sup> month of the Initial Term, the Government shall have the right to request, by written notice to the Lessor, a computation of the applicable Fair Market Rent. If

the Government does not send any such written notice, the Government will be deemed not to have elected to exercise the Renewal Option. Within thirty (30) days of receipt of such notice, each party will engage an independent appraiser, who will be reputable and knowledgeable of the Rockville, MD commercial real estate market with a minimum of 15 years professional experience, to make the respective calculation of Fair Market Rent. Said determination will be accomplished within ninety (90) days. If the appraisals are within five percent (5%) of each other, the Fair Market Rent will be the average of the two appraisals. If they are greater than five percent (5%) apart from each other the two appraisers will select a third appraiser (consistent with the qualifications above) within thirty (30) days of the receipt of the original appraisals to select which of the two appraisals that is most accurate in his/her opinion. Said determination will be completed within thirty (30) days of the selection of the third appraiser, and will be binding on both parties. The Lessor and the Government shall each pay the fee of the appraiser selected by it, and they shall share equally the payment of the fee of the third appraiser, if applicable.

The Government shall have the right, exercisable by written notice submitted to the Lessor within 365 days after the determination of Fair Market Rent based on either the average of the first two appraisals or receipt of the third appraiser's written determination of the Fair Market Rent, as applicable, to exercise the Renewal Option provided herein, it being understood that such 365-day period is necessary for the Government to secure all necessary funding and approvals. If the Government does not send any such written notice, the Government will be deemed not to have elected to exercise the Renewal Option. If the Government exercises the Renewal Option as set forth above, the Lessor and the Government shall execute a Supplemental Lease Agreement to incorporate the agreed renewal terms, which SLA shall be executed not later than 18 months prior to the Lease Expiration Date.

T. In the event of a conflict between this SF2 and any other documents that comprise the Lease, the SF2 shall govern.

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

- A. Floor Plans of the Leased Premises, Parking Plans, and Site Plans - 10 pages, and BOMA Summary - 1 page
- B. Solicitation For Offers No. 9MD2192, as amended - 72 pages
- C. SFO Questions and Responses - 16 pages
- D. Pre-Lease Fire Protection and Life Safety Evaluation - 10 pages
- E. Seismic Certification - 1 page
- F. Pre-Lease Building Security Plan - 8 pages
- G. GSA Form 1217 - 3 pages
- H. GSA Form 3517 - 33 pages
- I. GSA Form 3518 - 8 pages
- J. Small Business Subcontracting Plan - 14 pages
- K. Project Schedule - 3 pages
- L. LEED Checklist - 1 page
- M. Proposal documents regarding base building design and construction - 24 pages
- N. Program of Requirements - 144 pages

8. The following changes were made in this lease prior to its execution:

Paragraphs 4 and 5 have been deleted in the entirety.

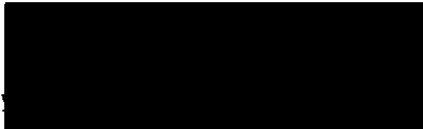
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.  
Lessor: **PARKLAWN NORTH LOT LLC**, a Delaware limited liability company,

By: Parklawn North Lot Member, LLC, a Delaware limited liability company, its Managing Member

By: Parklawn Holdco LLC, a Delaware limited liability company, its Managing Member

By: JBG/5600 Holdings, L.L.C.  
a Delaware limited liability company,  
its Managing Member

By: JBG/Company Manager III, L.L.C.  
a Delaware limited liability company,  
its Managing Member

By:   
Its Authorized Signatory

IN PRESENCE

OF 

ADDRESS 4445 Willard Avenue, Ste 400  
Chevy Chase, MD 20815

UNITED STATES OF AMERICA