

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL AGREEMENT
NO. 32

DATE
17 MAR 2003

SUPPLEMENTAL LEASE AGREEMENT

TO LEASE NO.
GS- 03B - 40131

ADDRESS OF PREMISES

1500 Woodlawn Drive
Woodlawn, Maryland 21241

ACT Number

THIS AGREEMENT, made and entered into this date by and between

Security Land & Development Company L.P.

whose address is 6400 Baltimore National Pike, # 604
Baltimore, Maryland 21228

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said
Lease is amended, effective November 1, 2003, as follows:

A. Paragraph 1 of the Standard Form 2 of Standard Form of the lease is hereby amended by deleting the existing text in its entirety and by inserting in lieu thereof the following:

"1. The lessor hereby leases to the Government the following described premises:
717,011 BOMA office Area square feet of office and related space, which represents 100% of the BOMA office Area square feet of the Security West Building, 1500 Woodlawn Drive, Woodlawn, Maryland. This lease includes 2,132 government-use parking spaces."

B. Paragraph 2 of Standard Form 2 of the Lease is hereby amended by deleting the existing text in its entirety and by inserting in lieu thereof the following:

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning November 1, 2003 through October 31, 2018, subject to termination and renewal rights as may be hereinafter set forth."


C. Paragraph 3 of Standard Form 2 of the Lease is hereby amended by deleting the existing text in its entirety and by inserting in lieu thereof the following:

"3. The Government shall pay the Lessor annual rent of \$12,753,562.56 at the rate of \$1,062,796.88 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

All other terms and conditions of the lease shall remain in force and effect.

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

LESSOR Security Land & Development Company, L.P., *By: 1500 Woodlawn Limited Partnership as its General Partner, and By: Woodlawn Investment Group, Inc. its General Partner*

BY  _____ *(Signature)* _____ *(Title) its Executive V.P.*

IN PRESENCE OF  _____ *(Address)*

UNITED STATES OF AMERICA
 _____ *Contracting Officer*
(Official Title)

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Security Land & Development Company L.P.
6400 Baltimore National Pike, # 604
Baltimore, MD 21228."

D. The lessor's fee (overhead and profit) for all alteration projects are:

- 14% for alteration less than \$250,000.99
- 12% for alterations between \$250,001 - \$500,000.99
- 10% for alterations between \$500,001 - \$800,000.99
- 8% for alteration greater than \$800,001.00

E. The lease is hereby amended by deleting Rider To Lease GS-03B-40131(9/30/94) text in its entirety and by inserting in lieu thereof the following Rider to GS-03B-40131 (02/04/2003)

F. The lease is hereby amended by deleting the existing Solicitation for Offers (SFO) MMD92029, as reissued September 30, 1994, with Attachments 1 through 3 in its entirety and by inserting in lieu thereof the following Solicitation for Offers 1MD0011, with Attachments 1 and 3, dated December 28, 2001, as amended.

G. The lease is hereby amended by deleting the existing GSA Form 3517, General Clauses (SW version, 9/30/94) in its entirety and by inserting in lieu thereof the following, GSA Form 3517, General Clauses, version December 28, 2001, as amended.

H. There shall be no operating rent adjustment paid by the Government in 2003, for the period starting November 1, 2003 and ending October 31, 2004, in recognition of the increased rent rate. The new operating base rate is \$4.46 per foot and the base year for determining future escalations is November 1, 2003 through October 31, 2004. Operating cost adjustments will continue on an annual basis in accordance with the lease starting on November 1, 2004 (12th anniversary of the lease or year 2 of this 15 year renewal).

I. Lessor will complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 120 calendar days next following the effective date of the lease renewal, November 1, 2003. When lessor has completed all such alterations, improvements, and repairs, lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

J. INSPECTION OF CONSTRUCTION (the following applies to solely to tenant work by Lessor)

(A) Definition. "Work" includes, but is not limited to materials, workmanship, and manufacture and fabrication of components.

(B) The Lessor shall maintain an adequate inspection system and perform such inspections as will ensure that the work performed is required under the contract requirements. The Lessor shall maintain complete inspection records and make them available to the Government upon request. All work is subject to Government inspection and test at all reasonable times before acceptance, to ensure strict compliance with terms of the contract.

(C) Government inspecting and tests are for the sole benefit of the Government and do not--

- (1) Relieve the Lessor of responsibility for providing adequate control measures;
- (2) Relieve the Lessor of responsibility for damage to or loss of the material before acceptance;
- (3) Constitute or imply acceptance; or
- (4) Affect the continuing rights of the Government after acceptance of the completed work under paragraph (1) below.

Lessor *JLP* Government *DND*

(D) The presence or absence of a Government inspector does not relieve the lessor from any contract requirements, nor is the inspector authorized to change any term or condition of the specification without the Government Contracting Officer's written authorization.

(E) The Lessor shall, without charge, replace or correct work found by the Government not to conform to contract requirements, unless in the policy interest the Government consents to accept the work with an appropriate adjustment in contract price. The Lessor shall promptly segregate and remove rejected material from the job site.

(F) If the lessor does not promptly replace or correct rejected work, the Government may (1) by contract or otherwise, replace or correct the work and charge the cost to the lessor.

(G) If, before acceptance of the entire work, the Government decides to examine already completed work by removing it or tearing it out, the Lessor, on request shall promptly furnish all necessary facilities, labor and material. If the work is found to be defective or non-conforming in any material respect due to the fault of the Lessor or its subcontractors, the Lessor shall defray the expenses of the examination and of satisfactory reconstruction. However, if the work is found to meet contract requirements, the Government Contracting Officer shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the work was thereby delayed, an extension of time.

(H) Unless otherwise specified in the contract, the Government shall accept, as promptly as practicable after completion and inspection, all work required by the contract or that portion of the work Government/Contracting Officer determines can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the Government's rights under any warranty or guarantee.

(I) It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so desired. In the event such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right or restoration waived.

The following, General Conditions for Lease alterations, are hereby added to this lease:

Lessor JWP Government 

GENERAL CONDITIONS FOR LEASE ALTERATIONS

1. CONDITIONS AFFECTING THE WORK.

It is the responsibility of the lessor to inspect the site, determine the quantity of work involved, compare the specifications with the work to be done, and informed as to all conditions, including other work, if any, being performed, Failure to do so will in no way relieve the lessor from the necessity of furnishing any materials or performing any work that may be required to carry out the agreement in accordance with the true intent and meaning of the specifications without additional cost to the Government.

2. SPECIFICATIONS.

In any case of discrepancy in the specifications, the matter shall be immediately submitted to the Contracting Officer, without whose decision said discrepancy shall not be adjusted by the lessor, save only at his own risk and expense.

3. TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT.

(a) The Contracting Officer, by written notice, may terminate any tenant work performed by the lessor, in whole or in part, when it is in the interest of the Government. If this agreement is terminated, the lessor shall be compensated in accordance with the provisions of 48 CFR 49 in effect on this agreement's date.

(b) If this agreement exceeds \$100,000, the clause in 48 CFR 52.249-2 in effect on the date of this agreement shall apply in lieu of the provisions set forth in (a), above, such clause being hereby incorporated by reference as fully as if set forth at length herein.

4. LAWS AND ORDINANCES,

The lessor shall comply with all laws, ordinances, and regulations (Federal, State, County, City, or otherwise).

5. SCHEDULING AGREEMENT WORK.

The lessor shall make necessary arrangements with the Contracting Officer or his representative to perform the work and shall arrange and schedule his work so that the minimum amount of interference with Government activities will result. All work shall be done after the Governments business hours or on weekends.

6. USE OF BUILDING

The lessor shall prohibit his employees from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment provided for official Government use. The lessor shall require his employees to comply with instructions pertaining to conduct and building regulations issued by duly appointed officials, such as the Building Manager, guards, inspectors, etc.

Lessor JWP Government

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7. ACCIDENT PREVENTION

The lessor shall use physical means to restrict access or direct flow of pedestrians or vehicles around work areas. Barricades, ropes, signs, lights, etc., are to be used in accordance with accepted safety practices.

8. FIRE HAZARDS

The lessor shall take every precaution to prevent fires during the performance of this agreement. The lessor shall furnish a covered metal receptacle to be kept on the exterior of the building to place therein all combustible material, such as oily rags, waste, etc., used in the performance of the work. Paint product containers are to be kept sealed at all times except when in use.

9. MATERIALS

The lessor shall furnish all supplies, materials, and equipment necessary for the performance of the work included in this agreement unless otherwise specified. Materials and supplies to be used shall be commercially available products of reputable manufacturers or suppliers and shall be of quality to conform with applicable federal Specifications. Upon request, the lessor shall submit to the Contracting Officer a list giving the name of the manufacturer, the brand name and the intended use of each of the materials that he proposes to use in the performance of the work. The lessor will not use any material which the Contracting Officer determines would be unsuitable for the purpose or harmful to the surfaces to which applied or to any other part of the building, its contents or equipment.

10. LESSOR EMPLOYEES

Each employee of the lessor shall be a citizen of the United States of America or an alien who has been lawfully admitted for permanent residence as evinced by Alien Registration Receipt Card Form 1-151, or who presents evidence from the Immigration and Naturalization Service that employment will not affect his immigration status.

11. EXTRAS

Except as otherwise provided in this agreement, no charge for extra work or materials will be allowed unless the same has been ordered in writing by the Contracting Officer and the price stated in such order

12. PRICING OF ADJUSTMENTS

When costs are a factor in any determination of an agreement price adjustment pursuant to the changes clause or any other provision of this agreement, such costs shall be in accordance with the contract cost principles and procedures in 48 CFR 31.

13. DEBRIS AND CLEANING

Remove and dispose of debris and dirt as it accumulates. Upon completion of work, remove spatters, droppings, smudges, etc., and leave the premises clean. Unless otherwise specified, all materials and equipment removed shall become the property of the lessor who shall remove them from the job site.

14. GUARANTEE

Unless otherwise provided in the specifications, the lessor guarantees all work to be in accordance with the requirements of this agreement and free from defective or inferior materials, equipment, and workmanship.

Lessor *JMP* Government *JWD*

15. INSPECTION

All material, workmanship, and equipment shall be subject to the inspection and approval of the Contracting Officer or his representative. All work unsatisfactorily performed shall be promptly corrected and made acceptable to the Government.

16. INDEMNITY

The lessor shall save and keep harmless and indemnify the Government against any and all liability claims, and costs of kind and nature for injury to or death of any person and for loss or damage to any property (Government or otherwise) occurring in connection with or in any way incident or arising out of the occupancy, use, service, operations, or performance of work in connection with this agreement, resulting in whole or in part from the negligent acts or omissions of the lessor.

Lessor JMP Government [Signature]