

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL LEASE AGREEMENT (SLA) No. 72	DATE JUN 22 2011
	TO LEASE NO. GS-03B-40131	
ADDRESS OF PREMISE 1500 Woodlawn Drive Woodlawn, Maryland 21207-4009	PDN Number: PS0020602	

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

Security Land and Development Company, Limited Partnership
c/o Cafritz Interests, Inc. – Suite 600

whose address is: 1660 L Street, NW
Washington, DC 20036-5676

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

WHEREAS, the parties hereto desire to amend the above lease to reflect changes to an ongoing renovation project, for which notice to proceed was issued via Supplemental Lease Agreement (SLA) No. 58.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective May 15, 2011, as follows:

- A. In consideration of lump sum payments totaling **\$5,491,125.01** the lessor shall furnish all labor, materials, tools, equipment, services, and associated work to provide, install, complete, and maintain alterations specified in this Supplemental Lease Agreement. This SLA consists of the following documents hereto attached and incorporated into the Lease Contract:
1. GSA Form 276
 2. Exhibit A: General Conditions for Lease Alterations
 3. Exhibit B: Revised Exhibit B – Milestone / Invoice Schedule (dated 04/27/2011)
 4. Revised Project Schedule (data date: 04/28/2011)
 5. Lessor's proposals (dated 07/22/2009) attached to SLA No. 58 (incorporated by reference)
 6. Index of Drawings (dated 06/22/2009) attached to SLA No. 58 (incorporated by reference)

This Supplemental Lease Agreement contains **11 pages**.

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

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

LESSOR SECURITY LAND AND DEVELOPMENT COMPANY, LIMITED PARTNERSHIP	
SIGNATURE	NAME AND TITLE OF SIGNER
[REDACTED]	COVRAD CAFRITZ, PRESIDENT OF ITS GP
ADDRESS	
1660 L STREET NW, SUITE 600, WASHINGTON, DC 20036	
IN PRESENCE OF	
[REDACTED]	NAME OF SIGNER
[REDACTED]	MELANIE DORREY
UNITED STATES OF AMERICA, REAL ESTATE ACQUISITION DIVISION, SOUTH BRANCH	
SIGNATURE	NAME OF SIGNER
[REDACTED]	Dominic Innaruto
[REDACTED]	OFFICIAL TITLE OF SIGNER
[REDACTED]	CONTRACTING OFFICER

- B. Whereas notice to proceed for construction of alterations related to the ongoing renovations project was issued via Supplemental Lease Agreement (SLA) No. 58, effective October 19, 2009, the lessor and the Government acknowledge and agree that Phases 1, 2, 3, and 4 of the project shall be governed by the terms and conditions of SLA No. 58, including, but not limited to, the project schedule and milestone payment schedule. The lessor and the Government further acknowledge and agree that this supplemental lease agreement supersedes and replaces the terms and conditions of SLA No. 58 for Phases 5, 6, 7, 8, and 9 of the project, as represented in SLA No. 58.
- C. The lessor and the Government hereby acknowledge and agree that Phases 5A, 5B, 6, 7, 8A, and 8B, as reflected in the revised Exhibit B, Milestone / Invoice Schedule and the revised project schedule, attached to this supplemental lease agreement, shall replace Phases 5, 6, 7, 8, and 9, as reflected in the original project schedule attached to SLA No. 58. Specifically, the following changes to the project phases have been made and are reflected in the revised project schedule and revised Exhibit B, Milestone / Invoice Schedule:
- Phase 5 in the original SLA No. 58 project schedule is replaced by Phase 5A and Phase 5B in the revised project schedule and revised Exhibit B
 - Phase 6 in the original SLA No. 58 project schedule is replaced by Phase 6 in the revised project schedule and revised Exhibit B
 - Phase 7 in the original SLA No. 58 project schedule is replaced by Phase 7 in the revised project schedule and revised Exhibit B
 - Phase 8 in the original SLA No. 58 project schedule is replaced by Phase 8A in the revised project schedule and revised Exhibit B
 - Phase 9 in the original SLA No. 58 project schedule is replaced by Phase 8B in the revised project schedule and revised Exhibit B

- D. The total cost to the Government for all work completed for Phases 5A, 5B, 6, 7, 8A, and 8B shall be \$5,490,731.26. The Government shall make lump sum payment(s) to the Lessor upon the Government's inspection, acceptance, and approval of the work for each phase of the project. Progress inspections shall be made in accordance with the revised project schedule and revised Exhibit B, Milestone / Invoice Schedule. The lessor shall be permitted to invoice for work in accordance with the revised Exhibit B, Milestone / Invoice Schedule, following progress inspections and the Government's acceptance of work corresponding to such.

Notwithstanding the attached schedule and revised Exhibit B, Milestone / Payment Schedule, progress payments shall only be made for work that is completed and inspected and accepted by the Government.

In no event shall the sum of invoices and progress payments for any given phase exceed the total for that phase, as illustrated in the revised Exhibit B, Milestone / Invoice Schedule. Likewise, in no event shall the sum of all invoices for partial payments for Phases 5A, 5B, 6, 7, 8A, and 8B exceed \$5,490,731.26.

Amounts for which the lessor shall be permitted to invoice for each phase of the project referenced above shall be reduced by any contingency costs which are not used by the Government. The following contingency costs are included in the amounts reflected in the revised Exhibit B:

- Phase 5A: \$23,318.00
- Phase 5B: \$46,636.00
- Phase 6: \$46,636.00
- Phase 7: \$46,636.00
- Phase 8A: \$46,636.00
- Phase 8B: \$46,636.00

No invoices submitted by the lessor shall include contingency costs listed above unless such costs are expressly approved by the GSA Contracting Officer.

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E. Early Access: In order to facilitate the Government's occupancy of the space impacted by the alterations contained in this SLA, the Government shall be allowed early access prior to substantial completion and during the course of the lessor's work for the purposes of the Government's subcontractors delivering and installing preoccupancy work. This includes but may not be limited to telephone, data, and security cabling, furniture installation, security devices and locks, and telephone and network equipment. The lessor's schedule shall contain reasonable durations during the standard course of construction and in a sequential manner for the Government's subcontractors to install / pull telephone, alarm, access control, video, and fiber optic cabling within the walls, above ceilings, and below raised floors while they are constructed. The lessor and Government shall inspect the designated work areas prior to commencement of any Government contractor work, and the inspection report or punchlist, if required, shall note the condition of such areas.

F. Miscellaneous

Progress meetings shall be held as necessary, at the discretion of the GSA Contracting Officer.

All Security Requirements of the Government shall be adhered to during the length of the work.

G. Change Order Payment

The total amount listed in Section A, above, includes a [REDACTED] payment for a change order for VCT Installation / ACM Abatement work, which is unrelated to Phases otherwise covered by this SLA. The lessor shall be permitted to invoice for this amount independently or in conjunction with another invoice submitted against this SLA. In no event shall costs included in invoices for this change order exceed [REDACTED].

H. Upon completion of the work, the Lessor shall notify the Contracting Officer to arrange for an inspection. After inspection and acceptance of the work by the Government, a properly executed original invoice shall be forwarded to:

General Services Administration
Greater Southwest Region (7BC)
P.O. Box 17181
Forth Worth, TX 76102-0181

A copy of the invoice must also be mailed to the Contracting Officer at:

GSA, Public Buildings Service
Real Estate Acquisition Division, South Branch
The Strawbridge Building, 8th Floor
20 N. 8th Street
Philadelphia, PA 19107
Attn: Dominic Innaurato

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For an invoice to be considered proper, it must:

- 1) be received after the execution of this SLA,
- 2) reference the Pegasys Document Number (PDN) specified on this form (**PS0020602**),
- 3) include a unique, vendor-supplied, invoice number,
- 4) indicate the exact payment amount requested, and
- 5) specify the payee's name and address. The payee's name and address must EXACTLY match the lessor's name and address listed above, or, if completed, the remittance name and address specified below. If the Lessor chooses to have payments sent an address other than the one listed above, that remittance address must be entered below.

Remit To:

Payment will be due within thirty (30) days after GSA's designated billing office receives a properly executed invoice or acceptance of the work by the Government, whichever is later.

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

J. INSPECTION OF CONSTRUCTION

- (1) Definition: "Work" includes, but is not limited to materials, workmanship, and manufacture and fabrication of components.
- (2) 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.
- (3) Government inspecting and tests are for the sole benefit of the Government and do not—
 - (a) Relieve the Lessor of responsibility for providing adequate control measures;
 - (b) Relieve the Lessor of responsibility for damage to or loss of the material before acceptance;
 - (c) Constitute or imply acceptance or;
 - (d) Affect the continuing rights of the Government after acceptance of the completed work under paragraph (9) below.
- (4) 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.
- (5) 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.

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- (6) 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 or; (2) terminate for default the Lessor's right to proceed.
- (7) 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.
- (8) 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.
- (9) If there are any lump-sum reimbursements required as part of this agreement, the following procedure shall be followed for reimbursement as instructed in Section H above.

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