

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES ADMINISTRATION
FPR (41CFR) 101-11.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:
APR - 6 2010

LEASE No. GS-11B-02151

THIS LEASE, made and entered into this date by and between WRIT (WASHINGTON REAL ESTATE INVESTMENT TRUST)

Whose address is 6110 EXECUTIVE BLVD., SUITE 800
ROCKVILLE, MD 20852

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 9,421 rentable square feet (RSF) of office, lab and warehouse space, which yields 9,323 ANSI/BOMA Office Area square feet (USF) of space at Fullerton Business Center, 7401 Fullerton Road, Springfield, VA 22153 to be used for SUCH GENERAL OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT [PREMISES] (see attached floor plans made a part hereof).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing upon completion and acceptance of the work required by this lease as prescribed in Section 3.12 "Construction Schedule and Acceptance of Tenant Improvements" and continuing for five (5) years from the commencement date. The commencement date, which is to be contingent upon acceptance of space, 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 \$143,858.67 (\$15.27/RSF - \$15.43/USF) at the rate of \$11,988.22 per month in arrears for years 1 - 5 (inclusive of operating costs and amortization of the tenant improvement allowance).

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

WRIT (WASHINGTON REAL ESTATE INVESTMENT TRUST)
P.O. BOX 79555
BALTIMORE, MD 21279-0555

4. This lease may be renewed at the option of the Government, for the following terms and at the following rentals: The Government shall pay the Lessor annual rent of \$115,595.67 (\$12.27/RSF - \$12.39/USF) at the rate of \$9,632.97 per month in arrears for years 6 - 10,

provided notice be given in writing to the Lessor at least 180 days before the end of the original lease term or any renewal 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. (Intentionally Deleted)

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

- A. All services, utilities (net of electric), 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. Build out in accordance with standards set forth in SFO 08-014 dated April 17, 2009, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the construction schedule agreed upon by both Lessor and the Government. Lease term to be effective on date of occupancy, in accordance with Paragraph 2 above. The Lessor hereby waives restoration.

C. Lessor and the Government shall negotiate a schedule for design, construction and delivery of space (schedule commencing with the delivery of Program of Requirements, which shall be provided following award) that is consistent with the terms set forth in the SFO, and shall execute a Supplemental Lease Agreement that sets forth the schedule. 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". 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 attributed 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 Form 1217) of the vacant premises. In any event, the Government will not be required to accept space and commence rent prior to the completion and acceptance of the work required by this Lease as indicated in Paragraph 2 above, unless otherwise agreed to by the Government. Each day of Lessor Delay will be governed by the SFO.

D. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

E. This lease is Net of Electric and Net of Natural Gas. The tenant's electrical and gas use shall be separately metered and paid for by the Government.

F. One (1) standard height loading dock contiguous to the space and two (2) drive in bays.

G. The Government shall have the right to control the HVAC systems 24 hours per day.

H. Twenty (20) parking spaces on the premises at no addition cost to the Government. Ten (10) shall be marked and reserved and ten (10) shall be unreserved.

I. Prior to the Government's acceptance of the space the Lessor shall provide a Pre-Lease Security Evaluation signed and certified as prescribed in Section 1.8 of the attached SFO No. 08-014.

J. In accordance with SFO section 1.9 and 1.10 the total tenant improvement allowance (TIA) is \$59,201.05 (9,323 USF x \$6.35). The TIA shall be amortized over five (5) years at the rate of 6%. The total annual cost of TIA for the amortization period shall be \$68,671.33. 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. 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. If the Government does not utilize the entire TIA included in the rent, the rent shall be adjusted downward using 6% 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 TIA utilized. The actual cost of the TIA will be determined by the competition and cost proposal process set forth in the SFO. Any tenant improvement cost above and beyond the tenant improvement allowance of \$6.35 per Usable Square Feet shall be paid as a lump sum payment to the Lessor.

K. In accordance with SFO section 1.10, fees related to the tenant improvements, including change orders to be paid out of the tenant improvement allowance shall not exceed the following amounts: General Contractor Profit and Overhead (8%), General Conditions (7%), Architectural and Engineering Fees (\$1.70/USF), Management Fee (10%).

L. In accordance with SFO section 3.4, the percentage of Government occupancy is established as 9.0715%.

M. In accordance with SFO section 3.6, the Operating Cost escalation base is established as \$2.52/RSF (\$23,770.97/annum).

- N. The common area factor is established as 1.0105 (9,421 RSF/9,323 USF).
- O. In accordance with SFO section 3.9, the adjustment for vacant premises is established as \$1.02/USF.
- P. In accordance with SFO section 7.6 and section 1.3, daytime cleaning and janitorial services shall be provided by the lessor.
- Q. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker 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]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The rental amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment: \$11,988.22 (including \$8,862.79 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted First Month's Rent

Second Month's Rental Payment: \$11,988.22 (including \$8,862.79 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted Second Month's Rent

Third Month's Rental Payment: \$11,988.22 (including \$8,862.79 shell rental rate) minus prorated Commission Credit of [REDACTED] equals [REDACTED] as adjusted Third Month's Rent

- R. The Lessor gives the Government the expansion option for the adjacent suite (Bay N) measuring approximately 4,725 BOASF at the same rate and term as the premises offered herein. The Government reserves the right to exercise this option at any time within 90 days from lease award.
- S. In the event of any conflict between the specifically noted terms of this SF-2 and any other term or condition of this lease, the terms of this SF-2 shall govern. If any terms of conditions are not referenced in this SF-2, then the terms and conditions elsewhere in the lease shall govern. The Lessor hereby waives restoration.

7. The following are attached and made a part hereof:
- A. Solicitation for Offers 08-014 dated April 17, 2009 (60 pages)
 - B. Amendment Number 1 (2 pages)
 - C. GSA Form 1364 titled "Proposal to Lease Space" (2 pages)
 - D. Solicitation Attachment #1 titled Rate Structure (1 page)
 - E. Solicitation Attachment #2 titled Fire Protection & Life Safety Evaluation (18 pages)
 - F. GSA Form 1217 titled Lessor's Annual Cost Statement (1 page)
 - G. GSA Form 3517 titled GENERAL CLAUSES (33 pages)
 - H. GSA Form 3518 titled REPRESENTATIONS AND CERTIFICATIONS (10 pages)
 - I. Rider to GSA SFO #08-014: Additional Remarks/Comments to Form 1364 (2 pages)
 - J. Floor Plans of Offered Space (1 page)

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

Paragraph 5 has been deleted in the entirety.

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

Lessor: WRIT (WASHINGTON REAL ESTATE INVESTMENT TRUST)

[Redacted Signature]

Michael S. Paukstitus
SVP-Real Estate

[Redacted Address]

ADDRESS

6110 EXECUTIVE BLVD, SUITE 800
ROCKVILLE MD 20852

BY

[Redacted Signature]

ICER