

DATE OF LEASE:

3/23/2010

LEASE #GS-11B - 02172

THIS LEASE, made and entered into this date between: JBG/12420 PARKLAWN, L.L.C.

Whose address is: 4445 Willard Ave
Suite 400
Chevy Chase, 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 approximately **93,014 ANSI BOMA Rentable Square Feet (BRSF)**, being **78,378 ANSI BOMA Office Area Square Feet (BOASF)**, R/U factor of 1.1867, consisting of 18,502 BRSF (15,979 BOASF) on the 1st floor; 23,965 BRSF (20,188 BOASF) on the 2nd floor; 24,663 BRSF (20,555 BOASF) on the 3rd floor; and 25,884 BRSF (21,656 BOASF) on the 4th floor in known as the Element 12420, located at 12420 Parklawn Drive, Rockville, MD 20852, as depicted on the attached floor plans and made a part hereof.

To be used for office and related purposes as determined by the Government.

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 \$2,678,149.32 (\$33.94 / BOASF + \$18,000 for 10 reserved parking permits) at the rate of \$223,179.11 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an Operating Cost Base of \$683,456.16 (\$8.72 / BOASF), base real estate taxes, 10 reserved parking permits at a monthly rate of \$150 per parking permit or \$18,000 annually, and \$313,512.00 to amortize a tenant improvement allowance of \$1,567,560.00 (\$20.00 / BOASF) at zero percent (0%) annual interest. The Operating Cost Base includes the daytime cleaning premium of \$0.71 / BOASF. The Government shall be entitled to a rent credit in the amount of \$1,551,753.77 to be applied against the monthly fully serviced rental payment until exhausted. Rent checks shall be payable to **JBG/12420 PARKLAWN, L.L.C.**, at the address shown below:

JBG/12420 PARKLAWN, L.L.C.
4445 Willard Ave.
Suite 400
Chevy Chase, MD 20852

4. ~~The government may terminate this lease at any time by giving at least _____ days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

5. 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 rent of [REDACTED] payable at the rate of [REDACTED] per month in arrears, plus cumulative operating expense adjustments from the initial lease term. Such rate shall be inclusive of the original Operating Cost Base year and base amount, and base year real estate taxes. Rent shall continue to be adjusted for operating costs escalations as provided in SFO 07-015. The Government shall continue to make annual lump sum adjustments for changes in real estate taxes as provided in SFO 07-015. The Government shall exercise its renewal option if at all by providing the Lessor with written notice of the Government's intent to exercise such option at least 180 calendar 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.

LESSOR

HC GOV'T *JP*

6. 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 Government occupancy, 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: The cost of improvements, if any, shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent (if applicable). In the event that the total cost of tenant improvements is greater or less than \$20 /BOASF, the rent shall be adjusted accordingly. In the event that the total cost of the tenant improvements is less than \$20/BOASF, the rent shall be reduced accordingly. Tenant improvements financed by the Lessor above the initial \$20.00 per BOASF shall be amortized at the annual interest rate of 10 percent (10%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$3,298,146.24 (\$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 100%, based on 93,014 RSF / 93,014 RSF, subject to confirmation of the total rentable area of the entire building. Prior to Government acceptance of the leased premises, the Lessor shall provide to the Contracting Officer verified Computer-Aided Design (CAD) files of as-built floor plans showing the space under lease. In the case of a discrepancy between the square footage recited in this Lease and the actual measurements, the Government and the Lessor shall have the right to adjust the square footage accordingly.
 - d) In the event that the Lessor performs tenant improvements in the leased premises at the Government's direction, the Lessor shall be entitled to fees as set forth in this paragraph. The general contractor's total fees for overhead and profit shall not exceed 7% and the general contractor's fees for general conditions shall not exceed 4%. The Lessor's total construction management & coordination fees for the Tenant Improvements for the Government's space shall not exceed 5% and architecture & engineering fees, if any, shall not exceed \$3.50 / BOASF. Any such fees will be paid for out of the T/I Allowance.
 - e) The HVAC Overtime rate shall be \$55 per hour, per floor for the first lease year and shall be adjusted annually by the same percentage amount as the annual CPI adjustment to the Operating Cost Base.
 - f) The Lessor shall cause all cleaning within the Government's demised area to be performed between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday.
 - g) The Government agrees to accept the existing configuration, number of fixtures, and finishes in the restrooms serving the Leased Premises as a suitable alternative to the specific clauses in the SFO, including but not limited to Sections 5.7, 5.8, 6.4 and 6.5. All restrooms are newly constructed to meet 2006 International Plumbing Code. Nothing in this paragraph shall relieve the Lessor of its maintenance, repair or janitorial responsibilities described in the SFO.
 - h) In the event of a discrepancy between the terms of this SF-2 and the SFO and its attachments, the terms of this SF-2 shall control.
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
 - 6. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
 - 7. GSA Form 3517, General Clauses, 32 pages
 - 8. GSA Form 3518, Representations and Certifications, 7 pages
 - 9. Floor Plans of Leased Area, 4 pages
 - 10. Rider #1 - Fire & Life Safety, 1 page
 - 11. 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: JBG/12420 PARKLAWN, L.L.C.
a Delaware limited liability company

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

BY [Signature]

TITLE: Managing Member

DATE: February 26, 2010

IN PRESENCE OF [Signature]

ADDRESS: 4445 Willard Ave Ste 400
Chevy Chase, MD 20815

UNITED STATES OF AMERICA

BY [Signature]

CONTRACTING OFFICER, GSA, NCR