

## **HOLD HARMLESS AGREEMENT**

**Property:** Zone A (formerly Zones 3 and 4) of the AFRH-W Campus as described in the "Armed Forces Retirement Home Request for Proposals for Zones 3 and 4 August 2006"

In consideration of the U.S. Armed Forces Retirement Home, acting by and through The Secretary of Defense (the "AFRH"), granting to Crescent Resources, LLC (the "Company"), and any affiliate, agent, employee, or contractor engaged by the Company, permission to go upon the above-referenced property (the "Property") for various purposes related to the development of the Property, including, but not limited to, invasive and noninvasive inspections, testing, property and building surveys, soil tests, environmental site assessments and other similar engineering and environmental studies and tests, and preventative and/or routine maintenance (to the extent that the Company, in its sole discretion, so elects to conduct such maintenance, provided that any such maintenance shall be approved in advance by AFRH) (collectively, the "Work"), the Company hereby releases AFRH and agrees to indemnify and hold harmless AFRH from and against any and all liability for loss or damage to any property or any injury or death of any and all persons on or about the Property that may be occasioned by any cause whatsoever arising by reason of or in connection with the Work conducted on the Property or the presence thereon of any representative of the Company or any affiliate, agent, employee or contractor engaged by the Company to perform the Work, including, without limiting the generality of the foregoing, reasonable attorney's fees and any other expenses incurred in defending any suits or actions which may arise as a result of any of the foregoing, except to the extent caused by the gross negligence of AFRH. As used herein, AFRH shall include all of its respective officials, employees, and agents. Notwithstanding any other provision herein, AFRH shall have the right

to have a representative present during any test or procedure, provided that such representative does not interfere with the scheduling and performance of, or cause delay with respect to, the Work. Upon written request by AFRH, the Company will provide a copy of the results of the tests and procedures. The Company further agrees to keep the Property free from all liens arising by reason of or in connection with the Work.

### **Term of Agreement**

This Agreement shall remain in full force and effect until the full and complete execution of the Master Lease and the Development Agreement, which are currently being negotiated by the parties hereto. In the event that the Master Lease and the Development Agreement are not executed by July 31, 2008 (or such later date as mutually agreed in writing by the parties hereto), the AFRH, at its sole option, may terminate this Agreement and require the Company to promptly restore the Property to the condition existing immediately before its entry thereon.

### **Insurance**

Prior to performing any of the Work, and at its sole expense, the Company agrees to secure and maintain, or cause its contractors to so secure and maintain, in full force and effect at all times during the period of the Work, the following policies of insurance:

- a. Workers Compensation Insurance as required under applicable Federal and District of Columbia law.
- b. Commercial General Liability Insurance, including contractual liability and products and completed operations liability coverages, in an amount not less than Two Million Dollars (\$2,000,000) combined single units (CSL). Such insurance shall name the AFRH as an additional insured party. Notwithstanding the foregoing, any of the Company's contractors performing a portion of the Work

shall maintain such commercial general liability insurance in an amount not less than is reasonable and customary in their industry in connection with the performance of similar work in the Washington, D.C. metropolitan area.

- c. Automobile Liability Insurance including coverage for non-owned and hired vehicles in an amount not less than one million dollars (\$1,000,000) combined single units (CSL).

All policies of insurance required shall be written in a form and by insurance companies licensed to conduct the business of insurance in the District of Columbia and reasonably acceptable to AFRH. Upon AFRH's request, the Company shall provide evidence of such insurance coverage to AFRH. The obligations of the Company provided by this Agreement shall not in any way be affected by the absence in any case of covering insurance or by the failure or refusal of any insurance carrier to perform any obligation on its part under insurance policies affecting the Property.

#### **Environmental Laws/Hazardous Substances**

Any costs associated with violations of the law incurred by or charged to the Company and relating to the Company performing the Work including, but not limited to, remediations, clean up costs, fines, administrative or civil penalties or charges, and third party claims imposed on AFRH by any regulatory agency or by any third party as a result of the noncompliance with any applicable federal, state, or local environmental laws and regulations or nuisance statutes by the Company or by its affiliates, agents, employees or contractors, shall be paid by the Company.

The Company shall not use, store, or handle any hazardous materials upon the Property except in strict accordance with applicable laws and regulations. In the event of a release of hazardous materials on the Property caused by the Company or its affiliates, agents, employees,

or contractors, the Company shall take immediate steps to minimize and mitigate the risk of harm or damage to persons and Property, and immediately notify AFRH and the appropriate public safety officials, in accordance with applicable laws and regulations. The Company is responsible for any cleanup, remedial or response action required by the applicable regulatory agency to address hazards created as a result of its storage, use or handling of any hazardous material on the Property by itself or its agents, employees, or contractors; and any and all costs as a result of a release of hazardous materials or a violation of any applicable environmental law or regulation by the Company, or its affiliates, agents, employees or contractors, on the Property and relating to the Work shall be borne by the Company.

Notwithstanding the foregoing, the Company shall not be responsible for, and the Company's obligation to indemnify in connection with hazardous substances and materials shall exclude, any costs, claims, liabilities, fines, damages, losses, causes of action and/or obligations, including any obligations to clean up and remediate, arising out of pre-existing conditions on the Property (except to the extent such pre-existing conditions are exacerbated by the Company) or the spread thereof, and/or acts or omissions of AFRH.

#### **Access to Property**

Until full and complete execution of the Master Lease and the Development Agreement, the Company Authorized Representative (as defined below) and Company affiliates, agents, employees or contractors shall have access to the Property as set forth below. Company Authorized Representatives and Company affiliates, agents, employees and contractors shall access the Property at the Eagle Gate. Each Company Authorized Representative shall be given an AFRH-issued "Contractor's Badge" for them to keep during the duration of this Agreement, and carry with them while on the Property. Company affiliates, agents, employees and

contractors escorted to the Property by a Company Authorized Representative may obtain an AFRH-issued "Visitor's Pass" from the AFRH security office and shall carry their Visitor's Pass at all times while on the Property.

The following individuals shall be deemed Company Authorized Representatives and shall be issued Contractor's Badges for access to the Property:

Dan Kohlkupp  
Robert Zeiller  
Stacy Outlaw  
Zac Vuncannon  
Willa Peters  
Mike Walker

From time to time, the Company may amend the list of Company Authorized Representatives by notice to AFRH. Notice to AFRH in connection with access to the Property shall mean an email sent at least 24 hours prior to the requested access to Tim Sheckler, Project Manager, Public Buildings, General Services Administration (the "AFRH Authorized Representative").

In connection with the Work, Company Authorized Representatives (1) shall not be required to give notice to the AFRH prior to accessing the Property, (2) shall not be required to be escorted by AFRH personnel while on the Property, and (3) upon prior notice to AFRH, may escort Company affiliates, agents, employees and contractors onto the Property, without the requirement of an AFRH escort, except as provided herein. Upon prior notice to AFRH, Company affiliates, agents, employees and contractors may access the Property in connection with the Work without the requirement of an AFRH or Company Authorized Representative escort, except as provided herein.

AFRH shall cooperate with the Company in providing access to occupied and unoccupied buildings and structures on the Property. Upon notice to AFRH, and with an AFRH escort, the Company Authorized Representatives and Company affiliates, employees, agents and

contractors shall have access to the occupied buildings on the Property. The Company Authorized Representatives and Company affiliates, employees, agents and contractors shall have access to all unoccupied buildings located on the Property without the requirement of an AFRH escort (the "Unoccupied Buildings"). A Company Authorized Representative may obtain a key to such Unoccupied Buildings from the AFRH designee located on the Property.

The Company and its affiliates, employees, agents and contractors shall not interfere with or permit interference with the use or operation of the Property or with any person using, occupying or providing service at the Property, including without limitation, any tenant, and the right of access herein granted is specifically subject to the rights of tenants under any applicable tenant leases, except as may be necessary to effectuate the purposes of this Agreement.

### **Notice**

All notices hereunder shall be in writing and shall not be effective for any purpose unless same shall be given or served by personal delivery, by facsimile or electronic transmission (e-mail), addressed as follows, or at such other address as the parties hereto may from time to time designate by notice:

If to the Company:

Crescent Resources, LLC  
2805 S. Crystal Drive  
Arlington, VA 22202  
Attn: Daniel B. Kohlhepp  
Attn: Robert H. Zeiller  
Fax number: (703) 416-4442  
Email addresses:  
DBKohlhepp@crescent-resources.com  
RHZeiller@crescent-resources.com

With a copy to:

Venable LLP  
575 7<sup>th</sup> Street, NW  
Washington, DC 20004  
Attn: Jerry A. Moore, Esq.  
Attn: Philip M. Horowitz, Esq.  
Fax number: (202) 344-8300  
Email addresses:  
jamooreIII@venable.com  
pmhorowitz@venable.com

If to AFRH:

With a copy to:

c/o General Services Administration

GSA Public Buildings Service  
Property Disposal Division (WPR)  
301 7th Street, SW, Room 7709  
Washington, DC 20407  
Attn: Tim Sheckler, Project Manager,  
Public Buildings Service  
Fax number: (202) 205.5295  
Email address: tim.sheckler@gsa.gov

Armed Forces Retirement Home  
3700 N. Capitol St.  
P.O. Box 1303  
Washington, DC 20011-8400  
Attn: Mr. Joe Woo, Chief Architect  
Fax number: (202) 730.3770  
Email address: joe.woo@afrh.gov

### **Miscellaneous**

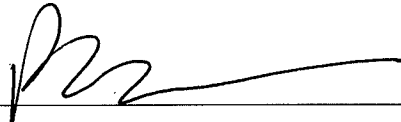
Each of the undersigned has full power and authority to execute this Agreement and bind the applicable party to its terms.

This Agreement may be executed in counterparts, each of which shall constitute the same instrument. Signed copies of this Agreement may be exchanged by facsimile or electronic transmission and all signatures exchanged by facsimile or electronic transmission may be relied upon and shall have the same force and effect as if original signatures were exchanged.

Any disputes under this Agreement shall be resolved in accordance with applicable Federal law, and, in case such law does not exist, in accordance with the applicable District of Columbia law. Each party consents to the jurisdiction of the Federal courts of the District of Columbia and hereby waives any right or basis it may have to object to such jurisdiction.

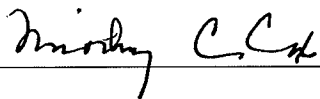
*[Signatures appear on following page.]*

CRESCENT RESOURCES, LLC

By:   
Name: Robert H Zeiller  
Title: Vice President Mid Atlantic  
Date: 11/13/07

ARMED FORCES RETIREMENT HOME

UNITED STATES OF AMERICA, acting by  
and through the DEPARTMENT OF DEFENSE,  
Secretary of Defense

By:   
Name: TIMOTHY COX  
Title: COO  
Date: 13 November 2007