

DATE OF LEASE:

MAY 28 2010

LEASE #GS-11B - 02198

THIS LEASE, made and entered into this date between: 7501 Wisconsin LLC

Whose address is: 7501 Wisconsin Ave
Suite 1500 - East
Bethesda, MD 20814-6522

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 **70,500 ANSI BOMA Rentable Square Feet (BRSF)**, being **59,544 ANSI BOMA Office Area Square Feet (BOASF)**, R/U factor of 1.18, consisting of 23,500 BRSF (19,848 BOASF) on the 8th floor; 23,500 BRSF (19,848 BOASF) on the 9th floor; 23,500 BRSF (19,848 BOASF) on the 10th floor in the west tower of the building known as 7501 Wisconsin, located at 7501 Wisconsin Avenue, Bethesda, MD 20814-6522, 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 [REDACTED] at the rate of [REDACTED] per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of [REDACTED] base real estate taxes, 5 reserved parking permits at a monthly rate of [REDACTED] per parking permit or [REDACTED] annually, and [REDACTED] to amortize a tenant improvement allowance of [REDACTED] at [REDACTED] annual interest. The operating cost base includes the daytime cleaning premium of [REDACTED]. Rent checks shall be payable to **7501 Wisconsin LLC**, at the address shown below:

7501 Wisconsin LLC
P.O. Box 17377
Baltimore, MD 21297-1377

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 FIVE-YEAR TERM at an annual rent of \$3,614,837.34 (\$60.44/BOASF + \$15,997.98 for 5 reserved parking permits [the parking rent being subject to 3% annual increases commencing on the first anniversary of the lease commencement date]), payable at the rate of \$301,236.45 per month in arrears. A new operating cost base and real estate tax base will be established based on the last year of the original term. Operating expense adjustments will be made from the new operating cost base in accordance with Paragraph 3.7 of the SFO. Real estate tax escalation adjustments will be made based on the new real estate tax base. 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 renewal option shall become effective provided notice be given in writing to the Lessor at least **180** 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

GOVT

(rev. 4/29/2010)

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 the tenant improvements is less than \$20.00/BOASF, the rent shall be reduced accordingly. Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$1,190,880.00 (\$20.00/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. The Lessor shall not be obligated to provide any tenant improvement allowance in excess of \$20.00/BOASF.
 - c) The Government's percentage of occupancy for real estate tax purposes shall be 10.08%, based on 70,500 RSF / 699,296 RSF, subject to confirmation of the total rentable area of the entire building.
 - 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 10%. There shall be no fees assessed for general conditions or for Lessor's construction management & coordination for the Tenant Improvements for the Government's space. Architecture & engineering fees, if any, shall not exceed 10%. Any such fees will be paid for out of the T/I Allowance.
 - e) The Government's end user shall have the right to acquire parking permits in association with this lease. Parking permits shall be acquired via separate service contract between the Government's end users and the Lessor's parking contractor. Monthly rates for such permits shall be \$230 per parking permit for reserved spaces and \$120 per parking permit for non-reserved parking. Commencing on the 1st anniversary of the lease execution date and every anniversary thereafter, the foregoing annual parking rates shall be subject to an annual escalation of 3%. All sums due and payable for parking pursuant to this lease shall be paid directly to the Lessor's parking vendor by the Government's end user through separate service contracts with the parking vendor.
 - f) The HVAC Overtime rate shall be \$46.15 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.
 - g) 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 excepting Saturdays, Sundays, and federal holidays.
 - h) The parties hereby stipulate that the base year for real estate taxes for purposes of tax adjustments pursuant to Paragraph 3.5 of the SFO shall be July 1, 2010 through June 30, 2011. Notwithstanding anything to the contrary contained in Paragraph 3.5.A of the SFO or elsewhere in the Lease, transportation management district fees shall be included in the term real estate taxes.
 - i) Pursuant to General Clause 12, the Government has elected to occupy the Leased Premises in partial increments. The parties hereby stipulate that the rent commencement date shall be (1) June 15, 2010 for the entire 8th and 10th floors and ½ of the 9th floor as further described on Exhibit A attached hereto and made a part hereof being a total of 58,750 BRSF (49,620 BOASF) (the 9th floor space being accepted for this phase is the portion of the drawing that is not cross-hatched) and (2) the earlier of October 1, 2010 or the Government's acceptance of the space as substantially complete for the remainder of the 9th floor, 11,750 BRSF (9,924 BOASF), as shown on the cross-hatched portion of Exhibit B attached hereto and made a part hereof. For each day after September 1, 2010 for which the current tenant for the remainder of the 9th floor as described in (2) above has not vacated the premises, the rent start date set forth in (2) above will be pushed back one day.
 - j) Except the window film to be provided by the Lessor pursuant to Paragraph 9.31 of the SFO, the Government hereby accepts the security of the building outside of the Leased Premises in its "as is" condition as of the date of execution by the Government hereof. Notwithstanding anything to the contrary contained in the SFO or elsewhere in the Lease, the Government may not impose any security requirement that requires the placement of equipment or utilization of personnel in the common areas or lobbies or in any other tenants' space in the building.
 - k) Notwithstanding anything to the contrary contained in Paragraph 3.2.A.4 of the SFO or elsewhere in the Lease, the Government shall install, maintain, repair, replace, and move/rearrange the Government's systems furniture at the Government's sole cost and expense.

l) The following shall be inserted at the end of General Clause 17:

"In addition to the provision set forth above, the Government agrees not to exercise its option to terminate the lease in the event of partial damage or destruction so long as Lessor is diligently prosecuting the repair and restoration, and all of the following conditions are met:

1. The partial damage or destruction is less than 25% of the Premises;
2. The remainder of the Premises are tenantable and may be used for the purpose for which they were leased;
3. Lessor can demonstrate to the Government's reasonable satisfaction that the repair or restoration of the Premises to the condition that existed immediately prior to the damage or destruction can be substantially completed and the Premises reoccupied within 365 days of the damage or destruction and without unreasonable interference to the occupancy of the remainder of the Premises; and
4. Lessor provides the Government a credit for the rent paid by the Government for substitute space to the extent that rent for the substituted space is in excess of the rent for the same amount of space that would have been due under this lease, and reimburses the Government for its costs to move to the substituted space."

m) The parties hereby stipulate that the requirements of Paragraph 4.1 of the SFO are deemed satisfied.

n) Notwithstanding anything to the contrary contained in Paragraph 3.17 of the SFO or elsewhere in the Lease, the construction schedule shall commence upon the Government's delivery to the Lessor of a final program of requirements. The Government shall deliver the final program of requirements to the Lessor not later than thirty (30) days after the full execution of this Lease.

o) The Lessor shall convey the existing systems furniture on the 8th, 9th and 10th floor at no additional cost/no value to the Government in "as-is" condition, without any warranties, certifications or any representations as to condition of the furniture whatsoever. Any movement, storage, assembly or disassembly involving the systems furniture required to complete either the building shell or the Tenant Improvement work on the leased space shall be performed by the Government at the Government's sole expense. The Government agrees to remove all existing furniture at the end of the lease term or any option term thereafter.

p) The Government shall pay the Lessor for condenser water and electricity usage for all supplemental HVAC units used or installed by or on behalf of the Government. The rate for condenser water usage shall be \$33.40 per ton (supplemental unit capacity) per month. The rate for electricity usage shall be the Lessor's actual cost of obtaining and providing the electricity. The Government shall, at its sole cost and expense, submeter, or cause to be submetered, for condenser water and electricity usage any supplemental HVAC units that will be operated on a 24 hours a day, 7 days a week basis. The condenser water rate set forth herein shall be adjusted annually, commencing on the first anniversary of the lease commencement date, in accordance with Paragraph 3.7, Operating Costs, of the SFO.


q) 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. Small Business Subcontracting Plan, 13 pages
7. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
8. GSA Form 3517, General Clauses, 32 pages
9. GSA Form 3518, Representations and Certifications, 7 pages
10. Floor Plans of Leased Area, 3 pages
11. Rider #1 - Fire & Life Safety, 1 page
12. Rider #2 - Security Requirements, 1 page

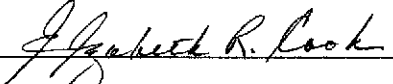
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: 7501 Wisconsin LLC

BY: 
B. Francis Saul III, President

TITLE: President

DATE: May 20, 2010

IN PRESENCE OF 

ADDRESS: 7501 Wisconsin Avenue, Suite 1500 East,
Bethesda, Maryland 20814-6522

UNITED STATES OF AMERICA

BY: 

CONTRACTING OFFICER, GSA, NCR