

STANDARD FORM 2  
FEBRUARY 1965 EDITION  
GENERAL SERVICES ADMINISTRATION  
FPR (41CFR) 1D16.601

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: NOV 15 2000

LEASE #GS-11B-00253

THIS LEASE, made and entered into this date between: Landover Pennsy, LLC

Whose address is: c/o MGP Real Estate, LLC  
15204 Omega Drive  
Rockville, Maryland 20850

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:  
  
265,000 Usable Square Feet of warehouse and related space, plus yard area, all as delineated on Exhibit A attached to and made a part of this lease, at the property known as 3201 Pennsy Drive, Landover, Maryland 20784.
2. TO HAVE AND TO HOLD the said premises with their appurtenances for a TEN (10) YEAR AND TWO (2) MONTH FIRM TERM beginning October 1, 2001 or as soon thereafter as Lessor substantially completes base building alterations and tenant improvements (described in Rider No. 1 to this lease) and the Government confirms the substantial completion of such improvements and ending ten (10) years and two (2) months later. A Supplemental Lease Agreement (SLA) shall be executed by the parties to confirm the commencement of the ten year lease term.
3. The Government shall pay Lessor annual rent of \$1,457,500.00 (\$5.50 per usable square foot) payable at the rate of \$121,458.34 per month in arrears. RENT FOR THE FIRST TWO MONTHS OF THE LEASE TERM SHALL ABATED AND PROVIDED AT NO COST TO THE GOVERNMENT. This amount includes an operating costs base of \$137,800.00 (\$.52 per usable square foot), and \$210,120.00 for amortization of a tenant improvement fund of \$1,325,000.00. Said fund was calculated by allocating \$5.00 per usable square foot and amortizing such amount at ten percent (10%) annual interest over the final ten (10) years of the lease term. If the term of the lease starts on other than the first day of a month, the rent for the first and last months of the lease term shall be prorated. The annual rent is subject to adjustment for changes in the real estate taxes as described in section 2.1 of the SFO attached to and made a part of this lease as modified by paragraph 6 of this SF-2. The annual rent is also subject to operating cost escalations as described in section 2.2 of the SFO attached to and made a part of this lease. In the event the Government does not utilize the full tenant improvement fund, the remaining balance shall be applied to the next rent payment due under the lease or shall be paid to the Government, as the Government shall elect in its sole discretion. Rent checks shall be made payable to Landover Pennsy, LLC, c/o MGP Real Estate, LLC, at Lessor's address shown above.
4. Lessor is the contract purchaser of the property being leased hereby. Lessor shall provide evidence to the Government demonstrating that it has acquired ownership of the property within sixty days of the date of this lease. In the event Lessor fails to provide evidence of its ownership of the property within such sixty day period, the Government may terminate this lease by written notice to the Lessor in which event this Lease shall be terminated and of no further force and effect. In the event Lessor provides such evidence of ownership within the required sixty day period, this termination right shall expire for all purposes under this lease
5. This lease may be renewed at the option of the Government for an additional ten (10) year renewal term. The annual rent payable during such renewal term shall be equal to \$2,782,500.00 payable at the rate of \$231,875.00 per month in arrears. Such rate shall be in addition to accrued operating expense adjustments which shall continue during such renewal term. In addition, the Government shall remain responsible for real estate tax adjustments during the renewal term. All other terms and conditions of this lease shall remain the same and in full force and effect during the renewal term. To exercise the renewal option, the Government must provide written notice of its exercise of the renewal option to the Lessor not less than 365 days prior to the expiration of the firm term of the lease. The timeliness of any such notice will be computed beginning with the day after the date of mailing.

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EXCEPTION TO SF2 APPROVED GSA/IRMS 12D89

6. Lessor shall furnish to the Government, as part of the rental consideration, the following:
- Lessor shall deliver the base building and base building improvements at Lessor's sole cost and expense as described in Rider #1, including Schedule A thereto, to this Lease.
  - Lessor shall construct the tenant improvements to the leased premises as described in or as determined in accordance with the provisions of Rider No. 1 to the Lease. All improvements to the leased space other than the base building improvements as described in Rider No. 1 to the lease shall be designed and constructed at the sole cost and expense of the Government. The Government shall utilize the tenant improvement fund of \$1,325,000.00 to pay for said improvements and in the event the total costs of said improvements exceeds the tenant improvement fund, the Government shall pay the Lessor lump sum for the amount that exceeds the tenant improvement fund.
  - The Lessor shall receive a supervision and management fee of 10% of the cost of the work for all of the tenant improvements. If Lessor acts as the general contractor for the tenant improvements, the mark-up for overhead and profit to be paid for serving as the general contractor shall be 8% of the total cost of all work performed by any architects, engineers and subcontractors.
  - The Lessor and the Government acknowledge that the rent set forth in this lease does not include any amount for base year taxes. At such time as the real estate taxes for the tax parcels shown on Prince George's County Maryland tax map #51, E4 and identified as parcels "0-5" and "F-1" for the year in which this lease commences are known, the rent set forth in paragraph 3 above shall be increased by such amount and the Government shall thereafter be responsible for increases in real estate taxes in excess of such "base year" amount as provided in Section 2.1 of SFO 99-018 attached to this lease.
  - To the extent they are part of the base building improvements to be provided by the Lessor, Lessor will correct any deficiencies noted in Attachment #4 to SFO 99-018 attached hereto prior to space acceptance by the Government.

7. The following are attached and made a part hereof:

- A) Rider #1, with Schedule A and Schedule B attached, 7 pages plus the Schedule B plans,
- B) Floor plan of leased area, 1 page (this item is also Sheet A2.1 of Schedule B to Rider No.1 identified above),
- D) Solicitation for Offers #99-018, 22 pages,
- C) Amendment #1 to SFO 99-018, 1 page,
- E) Attachments #1, #2, #3 and #4, to SFO 99-018
- F) GSA Form 1217, Lessor's Cost Statement, 1 page,
- G) GSA Form 3517 (rev 5/98), General Clauses, and
- H) GSA Form 3518 (rev 5/98), Representations And Certifications.

8. The following changes were made in this lease prior to its execution: None

IN \_\_\_\_\_ subscribed their names as of the date first above written.

LE \_\_\_\_\_

BY \_\_\_\_\_ BY Manager

IN \_\_\_\_\_ ADDRESS same as above

UN \_\_\_\_\_

BY \_\_\_\_\_ CONTRACTING OFFICER, GSA, NCR, OPR, RED

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EXCEPTION TO SF2 APPROVED