

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

12-06^{CO} - 2010 (Dec 6, 2010)

LEASE NO.

GS-03B-09478

THIS LEASE, made and entered into this date by and between Bay Developers, Inc.

whose address is 200 Weston Dr
Dover, DE 19904-2786

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

4,196 Rentable Square Feet ('RSF') yielding approximately 3,780 ANSI/BOMA Office Area ('ABOA') square feet and related space located on the 1st Floor, at 1201 College Park Dr., Dover, DE 19904-8702, as depicted on Exhibit 2 (attached)

to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 14 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ See Lease Rider Paragraph 12 at the rate of See Lease Rider Paragraph 12 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Bay Developers, Inc.
200 Weston Dr
Dover, DE 19904-2786

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) full year of occupancy by giving at least 60 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 terms and at the following rentals:

One, five year period at the annual shell rental of \$13.50 per rentable (\$14.99 per ABOA) square foot, plus accrued operating cost escalations

provided notice be given in writing to the Lessor at least 90 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.

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

- A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.
- B. All the summary requirements outlined in the attached Section 1.
- C. All the award factors and price evaluations requirements outlined in the attached Section 2.
- D. All how to offer and submittal requirements outlined in the attached Section 3.
- E. All utilities, services, and lease administration requirements outlined in the attached Section 4.
- F. All design, construction, and other post award requirements outlined in the attached Section 5.
- G. All required general architecture and architectural finishes as outlined in the attached Section 6 and 7.

Lessor [Signature] & Government [Signature]

- H. All required mechanical, electrical and plumbing requirements as outlined in the attached Sections 8.
- I. All fire safety, life safety, and environmental issues requirements as outlined in the attached Section 9.
- J. All lease security standards requirements outlined in the attached Section 10.

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

- A. Rider to Lease GS-03B-09478
- B. Solicitation for Offers # ODE2008 {Exhibit 1}
- C. GSA Form 3517B, "General Clauses" version dated (rev. 11/05)
- D. GSA Form 3518, "Representations and Certifications" version dated (rev. 1/07)
- E. Floor Plan {Exhibit 2}

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

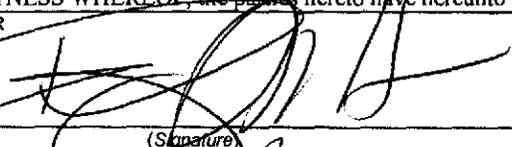
Exhibit 1, SFO ODE2008 sections 1.1(A-C), 1.4, 1.7, 1.8(A), 1.8(C), 1.8(D), 1.10(C), 1.10(D), 2.1, 2.2, 3.1, 3.4, 3.5(A), 3.6(A) have been deleted.

This lease contains 87 pages.

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

LESSOR

BY



(Signature)

(Signature)

IN PRESENCE OF

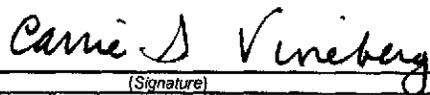


(Signature)

500 W. LOCKERMAN ST., DOVER DE 19901
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY



(Signature)

Contracting Officer

(Official title)

9. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to 22.2% of the total space available in the Lessor's office park and such percentage will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in Paragraph 4.2 of Exhibit 1 of the Lease. The percentage of occupancy is derived by dividing the total Government space of 4,196 rentable square feet by the total office park square footage of 18,900 rentable square feet.

The Government occupies 4,196 rentable square feet in building 1201, consisting of 9,100 rentable square feet representing 46.1% of the building, and such percentage will be used to determine the Government's pro-rata share of real estate taxes pursuant to Paragraph 4.2 of the lease in the event of any changes to the office park unless the parties otherwise agree in writing.

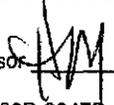
The base year taxes will be established by an assessment of the entire office park subject to taxation under City of Dover Map No./Kent County Property Description: 'ED-05-067.00-02-120.007-000' less any amounts increasing the assessment due to other than Government improvements. The parties agree to re-establish a base year in the event of any subsequent changes to the office park unless the parties otherwise agree in writing.

11. Common Area Factor

The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet (ABOA) to determine the rentable square feet is 1.1100529 (4,196 RSF/3,780 ABOA SF).

12. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$6.00 per rentable square foot is acceptable. This figure includes the Government's pro-rata share of operating costs.

13. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the lessor shall notify the Contracting Officer, in writing, at least thirty (30)

Lessor  & Government 

RIDER TO LEASE GS-03B-09478

calendar days and no more than sixty (60) calendar days prior to the time the option must be exercised. In the event the lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

14. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 60 working days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for ten (10) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 10:

Shell Rent: \$ 42,967.04 per year or \$10.24 per Rentable Square Foot,

Amortized annual cost for Tenant Improvement Allowance*:
\$2,676.55 per year

In accordance with lease negotiations, the Tenant Improvement rate stated above reflects an interest rate of 6% over a 120 month period, which exceeds the firm term of the lease. Should the Government exercise its termination rights, the Government shall have no obligation

Lessor  & Government 

RIDER TO LEASE GS-03B-09478

to pay the Lessor any remaining balance for the Tenant Improvement rent beyond the firm term of the lease.

Interest rate at which Tenant Alterations are amortized: 6%

Amortized annual cost for Building Specific Security: \$461.56 per year

Annual Cost of Services: \$25,176.00 per year or \$6.00 per Rentable Square Foot, plus accrued escalations per Exhibit 1, Paragraph 4.3, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$170,212.94 or \$45.02 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 6% amortization rate over the term of 10 years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 6% amortization rate.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

Option 1: Five Years

Shell Rent: \$56,646.00 per year or \$13.50 per rentable square foot, plus accrued operating cost escalations

15. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.2, "Tenant Improvements Pricing Requirements" of the Lease, the Lessor's Tenant Improvement Fees are established as follows:

- 1) Architectural/Engineering fees charged by the Lessor for Tenant Improvements requested by the Government is a flat fee of \$7,500.00.

Lessor  & Government 

GS-03B-09478

RIDER TO LEASE GS-03B-09478

2) In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.2, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is 5% of Total Construction costs.

16. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$1.70 per hour.

17. In accordance with Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$2.50 per ANSI/BOMA Office Area square foot.

18. The Lessor acknowledges that modifications to the Shell must be made in order to meet the requirements of the Lease in accordance with, but not limited to, the following paragraphs in Exhibit 1: Paragraph 1.12, "Building Shell"; Paragraph 6.1, "Accessibility"; and Paragraph 8.6, "Toilet Rooms"

19. Definitions:

- A. Where the word "Offeror" appears it shall be considered "Lessor"
- B. Where the word "should" appears it shall be considered to be "shall"
- C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"

Lessor  & Government CV
GS-03B-09478