

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE No. GS-11B-02162

JAN 20 2010

THIS LEASE, made and entered into this date between **10001 New Hampshire Avenue, Inc.**
whose address is **1701 Elton Road**
Silver Spring, MD 20903-1702

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 51,728 BOMA Rentable Square Feet (BRSF) (yielding approximately 48,443 BOMA Office Area Square Feet (BOASF)) located on floors 1-4 of the building known as 10001 New Hampshire Avenue, Silver Spring, MD 20903-1702 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See Exhibit A - Floor plan of leased premises). Included in the rent, at no additional cost to the Government, are 4 reserved parking spaces for exclusive use of official Government vehicles.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term commencing at substantial completion of the space in accordance with Paragraph 5.12 of the Solicitation for Offers SFO # 09-025 ("SFO"), continuing for ten (10) years firm.

3. The Government shall pay the Lessor annual rent of \$1,721,507.84 (\$33.28/BRSF) at the rate of \$143,458.99 per month in arrears. Rent for a lesser period shall be prorated.

Rent checks shall be made payable to: **10001 New Hampshire Avenue Inc., 1701 Elton Road, Silver Spring, MD 20903-1702** or in accordance with the provision on electronic payment of funds.

Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in its entirety for the first six (6) months of the lease term as is more fully described below in Paragraph 6(E).

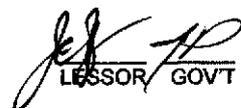
4. (Intentionally Deleted.)

5. (Intentionally Deleted.)

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

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included in the rent. This lease is intended to be a full service lease. Nothing herein shall be constructed as requiring the Lessor to maintain or repair any equipment, machinery or system owned by the Government.

B. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$1,698,896.01 (\$35.07/BOASF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur.


LESSOR GOVT

C. The Government shall have the full discretion to direct disbursement of the Tenant Improvement Allowance funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, and is amortized at a rate of eight percent (8.0%) interest over the firm term of the lease. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 8.0% amortization rate. A mutually agreed upon Supplemental Lease Agreement (SLA) shall finalize the rent using the final Tenant Improvement costs as approved by the Government with a Notice to Proceed. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 3.2 "Construction Schedule of Tenant Improvements", with the understanding that bidding shall take place at the trade/subcontractor level. Any work items provided by the General Contractor, or for which there is not adequate competition at the trade/subcontractor level, shall be subject to the Government review of cost and pricing data.

D. In connection with the buildout of the initial Tenant Improvements, the following limits on markups shall apply to the tenant improvements and change orders: Offeror's General Contractor's fee shall be 5%, General Conditions shall be 5%, Architectural & Engineering fees shall be 7%, and Lessor's Project Management fees shall be 3%. The combined markup shall be 20% of the Tenant Improvement costs. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.

E. Pursuant to SFO Paragraph 2.6 "Broker Commission and Commission Credit", Jones Lang LaSalle is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Jones Lang LaSalle have agreed to a cooperating lease commission of [REDACTED] of the aggregate lease value, for the ten (10) year firm term minus the abatement of six months' rent. The total amount of the commission is [REDACTED] ("Total Commission Amount"). Jones Lang LaSalle has agreed to forego [REDACTED] of the total commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED] and shall be applied in equal monthly amounts of [REDACTED] against the shell rental payments in the seventh (7th) and eighth (8th) months of the Lease term. The Total Commission Amount minus the Commission Credit is [REDACTED] due to Jones Lang LaSalle ("Remaining Broker's Commission").

In the event that the rental rate is adjusted due to an increase or decrease to the tenant build out amount, square footage, or other item resulting in a change to the gross rental amount, the Total Commission Amount, Commission Credit and Remaining Broker's Commission shall be recalculated based on the revised base rental rate. The Remaining Broker's Commission is payable to:

Jones Lang LaSalle Americas, Inc.
Public Institutions
33832 Treasury Center
Chicago, IL 60694-3400
Tax ID: [REDACTED]

The Government shall receive six (6) months free rent in the amount of [REDACTED] to be applied against the monthly fully serviced rental payment as follows:

First (1st) Month through Sixth (6th) Month Rental Payments of \$143,458.99 shall be abated in their entirety.

Rent Schedule for the seventh and eighth full months is as follows:

Seventh (7th) Month's Rental Payment of \$143,458.99 minus first month commission credit of [REDACTED] equals [REDACTED] adjusted Seventh Month's Rent.

Eighth (8th) Month's Rental Payment of \$143,458.99 minus second month commission credit of [REDACTED] equals [REDACTED] adjusted Eighth Month's Rent.

F. The annual real estate tax base will be established in accordance with Paragraph 4.2 of the attached SFO. The Government's percentage of occupancy is established as 100% (based on occupancy of 51,728 BRSF in a building of 51,728 BRSF). Evidence of payment of taxes shall be furnished as required in Paragraph 4.2 (C) of the SFO.

G. In accordance with the SFO paragraph 3.8 "Operating Costs Base", the escalation base is established as \$387,442.72 (\$7.49/BRSF; \$8.00/BOASF). Beginning with the second lease year and each year thereafter, the annual rent shall be adjusted by applying the change in the C.P.I. to the operating cost base as detailed in SFO Paragraph 4.3.

H. Pursuant to Paragraph 4.5 of the SFO, as part of the rental consideration set forth in Paragraph 3 of this SF-2, services, utilities and maintenance shall be provided daily, extending from 7:00 am to 5:00 pm, Saturdays, Sundays and federal holidays excluded ("Normal Hours"). Pursuant to SFO Paragraph 4.6 "Overtime Usage", beyond the aforementioned hours, the overtime HVAC service rate shall be \$30.00 per hour per floor. These charges are inclusive of all labor, maintenance, and service fees.

Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

I. Pursuant to SFO Paragraph 4.4 "Adjustment for Vacant Premises", in the event that the Government vacates any portion of the leased premises the rent will be decreased by \$1.50 per BOASF.

J. Prior to exercising a right to terminate the lease under General Clause 11 or 16(a) or any other provision of the lease, the Government will provide Lessor and one lender as identified by Lessor as its lender (as long as the Government is provided with the address for notification to the Lender) with written notice of the claimed default, which notice shall provide Lessor and/or its Lender with at least a thirty (30) day period in which to cure the default. In addition, prior to exercising a right to terminate the Lease under General Clause 11 or 16 (a) (1), or any other provision of the lease, the Government shall provide Lessor and its Lender with such additional time to cure the default as is necessary provided that Lessor shows to the reasonable satisfaction of the Government that (1) it is diligently prosecuting the work required to cure the default, and (2) the default will be cured within a reasonable period of time, as determined by the Government. Any such additional time to cure the default shall be conditioned upon Lessor's continuing to diligently pursue the cure of the default throughout the period and upon a demonstration by the Lessor to the reasonable satisfaction of the Contracting Officer through the submission of a detailed schedule and construction management plan (including, if necessary, the use of double shifts, overtime, expedited shipping, and other appropriate acceleration strategies) that the default can be cured within a reasonable period of time. Lessor shall remain liable for any damages that result from its failure to perform its obligations in accordance with the Lease as provided in General Clause 11 and 16. Notwithstanding anything else in this Paragraph J, if the default is of a health or life threatening nature, this Paragraph J shall not apply and the Government may exercise its rights as stated in General Clauses 11 and/or 16(a).

K.. The parties shall work together to deliver the Leased Premises in accordance with the schedule set forth in SFO Section 5.12. Notwithstanding any other term or condition of this Lease, in the event that the Lessor is delayed in delivering the Leased Premises as the result of net Government delay, such delay accruing either because of the Government's failure to provide any approval or other obligation in accordance with the design and construction schedule, or because of changes issued by the Government during the design and construction of the Leased Premises, then the rent shall be commenced on such earlier date as the Lessor would have substantially completed the Leased Premises in accordance with the construction schedule, but for the net Government delay.

L. Pursuant to SFO Section 1.2, Unique Requirements subsection 1.2 E., the Lessor is capable of meeting the requirement of LEED NC (New Construction) Certification. However, pending clarification from USGBC, the Lessor intends to meet the requirements of LEED CS (Core & Shell) GOLD certification combined with LEED CI (Commercial Interiors) GOLD certification, which will result in the same outcome as the LEED NC Certification identified in the SFO. Further, notwithstanding the provisions of Section 1.2 of the SFO, or any related provision, the Lessor shall not be penalized or otherwise deemed to be in default of the LEED requirements of this Lease in the event that the actual scoring approved by the USGBC is less than the required points for a Gold certification because the Government's tenant improvements do not conform to the goals set forth in the Lessor's Scorecard, thereby resulting in a lower than "Gold" rating, provided that the Lessor has otherwise met each and every minimum requirement for the LEED rating as specified in the Scorecard for the base building and/or site design.

M. The parties acknowledge and agree that the measurement of the Building for payment purposes, as well as for establishing the Government's percentage of occupancy, under this Lease shall be based on the actual BOMA RSF in the leased premises.

N. In the event of a conflict between this SF2 and other documents that are part of the Lease, the SF2 shall govern.

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

- A. Exhibit A – Floor Plan of the Leased Area, 5 pages
- B. Solicitation For Offers No. 09-025, 53 pages
- C. ■■■ Physical Security Requirements, 16 pages
- D. Rider #1 Fire Protection and Life Safety Report/Repairs/Evaluations, 2 pages
- E. Form 1364, 2 pages
- F. Rate Structure Worksheet, 1 page
- G. Pre-Lease Building Security Plan, 6 pages
- H. Construction Schedule, 1 page
- I. GSA Form 1217 – Lessor's Annual Cost Statement, 2 pages
- J. GSA Form 3517 – General Clauses, 33 pages
- K. GSA Form 3518 – Representations and Certifications, 8 pages

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

Lessor: 10001 New Hampshire Avenue Inc.

By: Jonathan C. Duffie, President.
JONATHAN C. DUFFIE

IN PRESENCE

OF _____ ADDRESS _____

UNITED STATES OF AMERICA

BY James Helan
CONTRACTING OFFICER