

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE #GS-11B-

"neg" 01853

SEP 02 2005

THIS LEASE, made and entered into this date between Maryland Enterprise, L.L.C., a Delaware corporation
whose address is:

c/o Opus East L.L.C.
2099 Gaither Road, Suite 100
Rockville, MD 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:

A maximum of 268,762 BOMA rentable square feet (such yielding approximately 226,000 ANSI/BOMA Office Area square feet (herein referred to as "usable square feet" or "USF"), located in a building to be designed and constructed and subject to final measurement with seven hundred (700) unreserved parking spaces for official Government vehicles, all located on Lot 4 and a portion of Lot 5 accessed by Haiig Court, Riverdale Park, Maryland 20737, and commonly known as the [REDACTED] Building,"

to be used for SUCH PURPOSES AS DETERMINED BY THE GOVERNMENT, subject to tenancy requirements of Paragraph 19 of the ground lease.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a THIRTEEN-YEAR FIRM term beginning on (see Paragraphs 6J and 6K below) and continuing through midnight on the day immediately prior to the thirteen anniversary of such lease commencement date.

3. The Government shall pay the Lessor annual rent of:

Eight Million Eight Hundred Sixty Eight Thousand Two Hundred Forty and 00/100 Dollars (\$8,868,240.00) (based on a rate of \$32.997 RSF) payable at the rate of Seven Hundred Thirty Nine Thousand Twenty and 00/100 Dollars (\$739,020.00) per month in arrears. In addition to the annual rent, the Government shall pay Operating Expense Adjustments and Tax Adjustments as provided in this SF2 and the attached Solicitation for Offers during the Lease term. If the term of the Lease commences on a day other than the first day of a month, rent for the first and last months shall be prorated. Rent checks shall be made payable to: Maryland Enterprise L.L.C., c/o Opus East L.L.C., 2099 Gaither Road, Suite 100, Rockville, MD 20850.

4. ~~The Government may terminate this lease at any time on or after _____ 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, only if authorized by a Congressionally approved prospectus, at the option of the Government, for the following terms and at the following rentals:

two (2) consecutive ten-year lease renewal terms, the first ten year term at a rate of [REDACTED] per rentable square foot and the second ten year term at a rate of [REDACTED] per rentable square foot; operating expense and tax escalations shall continue from the initial term through the renewal terms and the base shall not be reset.

Such options for renewal shall become effective provided notice be given in writing to the Lessor at least 365 days before the end of the original lease term or subsequent 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.

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

- i. All services, utilities with the exception of the electric and gas for the mission-critical (24 hours x 7 day operation) areas as defined in the attached Program of Requirements, alterations, repairs and maintenance, as well as any other rights and privileges, stipulated by this Lease and its Attachments to be a component of the rental consideration.
- ii. A Tenant Improvement Allowance shall be provided to the Government in the amount of \$10,820,880.00 (\$47.88 per USF). Such Allowance shall be made available immediately following lease execution, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the sole discretion to direct disbursement of the Tenant Improvement Allowance funds in accordance with SFO Paragraph 1.9 "Tenant Improvements, and/or in SFO Paragraph 1.10 "Tenant Improvement Rental Adjustment." This Tenant Improvement Allowance is included in the rent, and has been amortized at a rate of 0% over the thirteen-year firm Lease Term. If a rental adjustment is selected, consistent with SFO Paragraph 1.10, the rent shall be adjusted downward using the 0% amortization rate on the unused portion of the Tenant Improvement Allowance. A mutually agreed upon Supplemental Lease Agreement (SLA) will be executed upon the Government's acceptance of the space. The SLA shall finalize the rent using the final Tenant Improvement costs as approved by the Government in accordance with the requirements of this Lease. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in SFO Paragraph 3.15 "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 are not at least three qualified bidders at the trade/subcontractor level, shall be subject to the Government review of cost and pricing data.

6B. Pursuant to Paragraph 1.4 "Lease Term" the Government shall have the right to purchase the building at the end of year 23 of the Government's occupancy with 1 year prior written notice to the Lessor in the amount of \$27,000,000.00. This right is assignable on the Government's option, subject to the approvals and requirements stated in the ground lease.

6C. Pursuant to SFO Paragraph 1.7 "How to Offer" subparagraph D10, it is agreed that the architectural and engineering fees associated with the tenant improvements is determined to be \$3.42 per usable square foot.

6D. Pursuant to SFO Paragraph 1.9 "Tenant Improvements", it is agreed that the general contractor's general conditions, overhead and profit for the Base Building, Tenant Improvements and Change Orders shall be as follows:

	General Conditions	Overhead	Profit	Total
Base Building				
Tenant Improvements				
Change Orders				

Regulatory fees and permit fees shall be treated as a cost of the tenant improvement work. All of these fees will be paid for along with the cost of the design and construction of the tenant improvements out of the Tenant Improvement Allowance included in the rent, unless such costs exceed the Tenant Improvements Allowance of \$47.88 per USF, in which case the excess, subject to prior Government approval, will be paid by the Government.

6E. Pursuant to Paragraph 2.4 "Evaluation Factors -- Phase II" all final offer documents are incorporated by reference herein and made a part of this lease. In the case of discrepancies between the final offer attachments and the SFO, the final offer attachments shall govern. With respect to subparagraph B(iv.), the Lessor agrees to share [REDACTED] of any savings in financing costs of the initial development budget financing, such as savings in fees and interest, and any excess proceeds of the initial development budget financing, defined as being the difference between the total financing amount and the total project cost, with the Government. Additionally, the Lessor will share [REDACTED] of any construction cost (hard costs) savings as determined after the Guaranteed Maximum Price Base Building Contract is executed.

6F. Pursuant to SFO Paragraph 3.3 "Tax Adjustment", the Government's percentage of occupancy within the subject building for the purpose of calculating future Tax Adjustments as provided by the Lease shall be 100% based on the building total rentable square footage of 268,782 rentable square feet. Additionally, the negotiated real estate tax base for escalation purposes is determined to be \$711,900.00 (\$3.15 per USF or \$2.6488 per RSF).

6G. Pursuant to SFO Paragraph 3.5 "Operating Costs Base", the Operating Cost Base for purpose of calculating future Operating Cost Adjustments as provided by the Lease and its Attachments shall be \$1,292,720.00 (\$5.72 per USF or \$4.8099 per RSF).

6H. Pursuant to SFO Paragraph 3.8 "Common Area Factor", the Add-On Factor is determined to be 1.1892 based on the following: 268,762 RSF/226,000 USF.

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- 6I. Pursuant to SFO Paragraph 3.12 "Adjustment for Vacant Premises", the Adjustment for Vacant Premises as defined by the Lease and its Attachments shall be \$2.00 per USF (or \$1.68179 per RSF). An Adjustment for Vacant Premises shall only be applicable to space completely vacated by the Government and for which the Lessor is no longer required to provide maintenance and operating services. The Adjustment to the rent for vacant space on a floor shall take effect only after the Government has completely vacated one-half or more of that floor. This Adjustment to the rent is to be taken by the Government 30 calendar days after notice and complete vacation of the space. The Operating Cost Base shall be reduced at the same rate for such vacated space.
- 6J. The tenant improvements to the leased space shall be constructed by the Lessor in accordance with the final agreed upon design and construction schedule to be prepared in accordance with SFO Paragraph 3.14 "Construction Schedule." The initial design and construction schedule is attached to this lease. The start date for the initial task ("Base Building Design Drawings" as defined in Paragraph 3.15 "Construction Schedule of Tenant Improvements") shall commence upon the full execution of this Lease, and the required substantial completion date shall be in accordance with the Solicitation for Offers.
- 6K. Lease and rent commencement shall be subject to the Government's inspection and acceptance of the leased premises pursuant to SFO Paragraph 3.15 "Construction Schedule of Tenant Improvements," which acceptance shall not be unreasonably withheld.
- 6L. Pursuant to Paragraph 7.3 "Extended Operating Hours", the rate for overtime HVAC service to the premises is determined to be the difference between the estimated utilities on the GSA Form 1217 as provided by the Lessor and attached hereto and the actual paid bills as presented by the Lessor to the Government. Such amount to be adjusted semi-annually. Lessor reserves the right to install submeters and charge overtime services based on actual cost. Notwithstanding the hours of HVAC service, the Government shall have the right to occupy and use the leased premises at any time on any day throughout the lease term. Such use/occupancy may include, but shall not be limited to, full access to the premises and appurtenant areas as well as the use of business machinery within the premises.
- 6M. This lease is expressly contingent upon and subject to the assignment of the Government's Assignable Option Agreement dated August 24, 2004 to the Lessor; and the execution of the Ground Lease for the site referred to in the Assignable Option Agreement and as defined in the Grading Plan attached hereto between the Lessor and the University of Maryland, College Park, and the simultaneous execution of a Ground Lease for the subject parcel as provided in the Assignable Option Agreement.
- 6N. In the case of discrepancies between this lease and the ground lease, the ground lease shall govern to the extent allowable by law. In the case of discrepancies between this SF2 and its attachments, this SF2 shall govern. In the case of discrepancies between the final offer documents and the SFO, the final offer documents shall govern.
7. The following are attached and made a part hereof:
- A. Solicitation for Offers #9MD0023 Dated 3/16/05 (Revised to include Amendments #1, 2 & 3) – 52 Pages
 - B. [REDACTED] Design Guidelines and Program of Requirements dated 12/3/03 – 187 Pages
 - C. GSA Form 3517X – 31 Pages
 - D. GSA Form 3518 – 7 Pages
 - E. GSA Form 1217 "Lessor's Annual Cost Statement" – 1 Page
 - F. SFO Attachment #1, Fire Protection & Life Safety Evaluation – (Lessor agrees to complete, submit and make required corrections prior to Government occupancy)
 - G. SFO Attachment #2, Facility Information Security Survey – (Lessor agrees to complete, submit and make required corrections prior to Government occupancy)
 - H. SFO Attachment #3, Design and Construction Schedule – 4 Pages
 - I. Initial Proposed Floor Plans – 7 Pages
 - J. [REDACTED] Initial Proposed Development Budget – 2 Pages
 - K. Small Business Subcontracting Plan – ~~3 Pages~~ 16 PAGES
 - L. Shell and Tenant Improvement Matrix – 2 Pages
 - M. Grading Plan dated 2/1/05 – 1 Page
 - N. Ground Lease dated _____ – _____ Pages
8. The following changes were made in this lease prior to its execution:
- Paragraph 4 has been deleted in its entirety.

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

LESSOR: Maryland Enterprise, L.L.C., a Delaware corporation, c/o Opus East L.L.C.

BY

IN PRESENCE OF

ADDRESS

2099 GAITHER ROAD
ROCKVILLE, MD 20850

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION

BY

MS. C. ELIZABETH SPIVEY, CONTRACTING OFFICER

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