

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDING SERVICES
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
No. 2

DATE

6/7/06

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TO LEASE NO.
GS-03B-06310

ADDRESS OF PREMISE Wedgewood Building South
Building # 3
4420 Buckeystown Pike
Frederick, MD 21704

ACT Number

THIS AGREEMENT, made and entered into this date by and between
85 South, LLC

whose address is 4600 Wedgewood Boulevard, Suite A
Frederick, MD 21703

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease. **To accept the tenant improvement build out, establish the firm lease term, and to establish the rental rate.**

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective June 3, 2006, as follows:

IN WITNESS WHEREOF, the parties subscribed their names as of the above date. To incorporate additional requirements.

A. Paragraph 4 of the Lease is hereby deleted in its entirety and replaced with the following:

"The Government may terminate this lease at any time in whole or in part on or after the ninth full year of occupancy, which is June 2, 2015, by giving at least 180 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."

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR

BY
(Signature)
IN THE

(Signature)

Authorized Person
(Title)

4600 Wedgewood Blvd.
Frederick, MD 21703
(Address)

UNITED STATES OF AMERICA General Services Administration, PBS, Allegheny Service Center

BY
(Signature)

Contracting Officer
(Official Title)

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The \$1,709,265.85 tenant improvement cost breakdown is as follows:

Division 1 General Conditions SUBTOTAL:	\$	44,859.00
General Conditions	\$	██████████
Lifts & Scaffolds	\$	██████████
Sitework		
<hr/>		
Division 3 SUBTOTAL:		
Concrete		
<hr/>		
Division 5 Metals SUBTOTAL:	\$	██████████
	\$	██████████
<hr/>		
Division 6 General Work SUBTOTAL:	\$	10,825.00
Rough Carpentry	\$	██████████
Finish Carpentry	\$	██████████
Millwork		
Woods & Plastics		
<hr/>		
Division 7 SUBTOTAL:	\$	██████████
Roofing	\$	██████████
Thermal-Moisture		
<hr/>		
Division 8 SUBTOTAL:	\$	59,518.00
Doors, Frames, and Hardware	\$	██████████
Glazing/Glass	\$	██████████
<hr/>		
Division 9 Finishes SUBTOTAL:	\$	283,073.00
Gypsum Drywall	\$	██████████
New Acoustical Ceiling	\$	██████████
Floor Covering	\$	██████████
Painting & Wall Coverings	\$	██████████
Ceramic		

Initials:

 u
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&

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ALTERNATES

Alternate 1 - Full Height Security Walls	\$	██████████
Alternate 2 - Permit & Tap Fees	\$	██████████
Alternate 4 - HVAC Central Panel	\$	██████████
Alternate 7 - Lockers in shower room	\$	██████████
Breakout 1 - Tenant items as shell		
Ceiling	\$	██████████
Painting & Wall Coverings	\$	██████████
Fire Protection	\$	██████████
Plumbing	\$	██████████
Electrical	\$	██████████
Drywall	\$	██████████
Floor Covering	\$	██████████
Toilet Partitions	\$	██████████
Toilet Accessories	\$	██████████
HVAC	\$	██████████
Breakout 1 SUBTOTAL	\$	(218,756.62)

TI SUBTOTAL with ██████ requested Alternates & Shell deduction (Breakout 1) \$ 775,393.74

Contractor OH & Profit: \$ -
As a % 0%

Contractor Total: \$ **775,393.74**

Seals (10) \$ ██████████
Levelers 10) \$ ██████████
Developer's OH & P \$ ██████████

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Electrical PCO		
A - 10 Additional Charger Circuits	\$	
C - Dedicated Pharmacy Receptacles	\$	
E - Additional Temporary Office Requirements	\$	
F - Temporary Office Unit Circuits	\$	
G - Additional Convenience Outlets	\$	
H - Proved Disconnect for Medical Trailer	\$	
I - Additional Receptacles in Warehouse	\$	
J - 2000 AMP Service Upgrade	\$	
K - 4 Exterior Outlets	\$	
L - Additional Buried Conduit for Security	\$	
Electrical PCO SUBTOTAL	\$	324,206.88
Security		
Proposed Cost	\$	
Option # A	\$	
Option # B	\$	
Option # C	\$	
Option # D	\$	
Security SUBTOTAL	\$	227,104.00
Lessor's OH & Profit	\$	134,312.27
As a %		10%
Design Fees	\$	10,710.00
TI TOTAL	\$	<u>1,488,144.94</u>

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Change Order - 1a Security Conduit			
Cost	\$		
10% Overhead & Profit	\$		
Subtotal	\$		5,607.13
Change Order - 3 Additional Security			
Change #2 Add [REDACTED]	\$		
Change #3 Add Card Reader	\$		
Change # 4 Fiber Optics for Exterior Poles and [REDACTED]	\$		
Change # 5 Additional 11 months of [REDACTED]	\$		
10% Overhead & Profit	\$		
Subtotal	\$		62,548.19
Change Order - 2 Tele/Data Wiring			
Cost	\$		
10% Overhead & Profit	\$		
Subtotal	\$		86,951.74
Change Order 1 - Remaining Security			
Cost	\$		
10% Overhead & Profit	\$		
Subtotal	\$		26,380.39
Change Order 4 - Locking Thermostat Cover			
Cost	\$		
10% Overhead & Profit	\$		
Subtotal	\$		1,451.20
Change Order 5 - Additional Walk-Off Mat			
Cost	\$		
10% Overhead & Profit	\$		
Subtotal	\$		644.86

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Change order 6 - Vending Machine Receptacles

Cost	\$	██████████
10% Overhead & Profit	\$	██████████
Subtotal	\$	764.15

Change order 10 -Change in Permit Fees

Cost	\$	██████████
10% Overhead & Profit	\$	██████████
Subtotal	\$	14,658.20

SST Credit

Credit	\$	██████████
10% Overhead & Profit	\$	██████████
Subtotal	\$	(6,382.50)

Change order 7 -Protection of Unit Heaters WH2

Cost	\$	██████████
██████████	\$	██████████
Subtotal	\$	6,677.08

Change order 11 - Switching for Training Room

Cost	\$	██████████
10% Overhead & Profit	\$	██████████
Subtotal	\$	937.01

Change order 12 -Coaxial Cable for Offices from ADP Server Room

Cost	\$	██████████
10% Overhead & Profit	\$	██████████
Subtotal	\$	15,784.51

Change order 13 -Plywood at Office/Warehouse Demising Walls

Cost	\$	██████████
10% Overhead & Profit	\$	██████████
Subtotal	\$	5,098.95

TI TOTAL WITH CHANGE ORDERS

\$ 1,709,265.85

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The rent breakdown for years 6 – 9 is as follows:

Base Building Shell: **\$ 9.42/BOAF** (\$2,143,502.16 annually)
Operating Expense Base: **\$ 0.6406912/BOAF*** (\$145,788.00 annually)
Tenant Improvement **\$ 1.161860/BOAF** (\$264,378.75 annually)
Gross Annual Rental Rate: **\$11.222551/BOAF** (\$2,553,668.91 annually)
Annual rent shall be \$2,553,668.91 (\$212,805.74 per month).

*Subject to revision annually based on CPI adjustments.

The rent breakdown for year 10 is as follows:

Base Building Shell: **\$ 9.42/BOAF** (\$2,143,502.16 annually)
Operating Expense Base: **\$ 0.6406912/BOAF*** (\$145,788.00 annually)
Tenant Improvement **Should be fully amortized by June 2, 2015**
Gross Annual Rental Rate: **\$10.06/BOAF** (\$2,289,290.16 annually)
Annual rent shall be \$2,289,290.16 (\$190,774.18 per month).

*Subject to revision annually based on CPI adjustments.”

Initials:

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