

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-03B-09606

THIS LEASE, made and entered into this date by and between Preston Yucatan-WB, LLC

whose address is 2330 West Joppa Road, Suite 190
Lutherville, MD 21093-4614

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:

74,216 Rentable Square Feet yielding approximately 65,119 ANSI/BOMA Office Area square feet and related space located on the First Floor, at the Windsor Station building located at 7205 Windsor Boulevard in Baltimore, Maryland 21244-2642 together with 260 Reserved Surface parking spaces, as depicted on the attached floor plan

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 13 through See Lease Rider Paragraph 13, 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 13 at the rate of See Lease Rider Paragraph 13 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Preston Yucatan-WB, LLC
2330 West Joppa Road, Suite 190
Lutherville, MD 21093-4614

4. The Government may terminate this lease in whole or in part effective at any time after the fifth full year of occupancy by giving at least 90 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 (1) additional five (5) year period at the annual shell rental of \$1,647,595.20 (\$22.20 per rentable square foot), plus the operating cost base and accrued operating cost escalations, provided notice be given in writing to the Lessor at least 120 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. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The Lessor is providing six (6) months' free rent to the Government during the base year of this lease. The reduction in shell rent shall commence with the seventh month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Seventh Month's Shell Rental Payment of \$109,772.04 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Seventh Month's Shell Rent.*

Eighth Month's Shell Rental Payment \$109,772.04 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Eighth Month's Shell Rent*

Ninth Month's Rental Payment shall commence in full.

*subject to adjustment upon determination of actual TI expenditure

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

- A. Rider to Lease GS-03B-09606 (pages 3-6)
- B. Solicitation for Offers # 9MD2290 (pages 7-56),
- C. GSA Form 3517, "General Clauses" version dated 06/08 (pages 57-89)
- D. GSA Form 3518, "Representations and Certifications" version dated 01/07 (pages 90-96)
- E. Floor Plans (page 97)

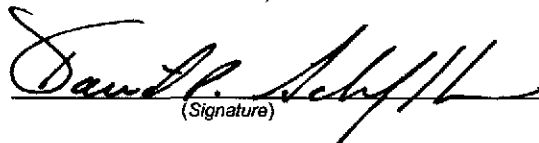
8. The following changes were made in this lease prior to its execution: None.

This lease contains 97 pages

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

LESSOR: Preston Yucatan-WB, LLC

BY


(Signature)

2330 W. Joppa Rd, Ste 160
Lutherville MD 21093
(Address)


IN PRESENCE OF:


(Signature)

2330 W JOPPA RD STE 160
LUTHERVILLE MD 21093
(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY


(Signature)

Contracting Officer
(Official title)

RIDER TO LEASE GS-03B-09606

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 38.74% percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 74,216 rentable square feet by the total building space of 191,561 rentable square feet.

11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$6.35 per rentable square foot (RSF), is acceptable. This figure includes the Government's pro-rata share of operating costs.

12. 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) 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.

13. 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 calendar 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

Lessor JPS Government JH

RIDER TO LEASE GS-03B-09606

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 5:

Total Annual Rent: \$2,349,241.58 consisting of:

Annual Shell Rent: \$1,317,264.42 per year or \$17.74906247 per Rentable Square Foot (RSF),

Amortized annual cost for Tenant Improvement Allowance*: \$546,999.60 per year

Interest rate at which Tenant Alterations are amortized: 0%

Amortized annual cost for Building Specific Security: \$13,705.96 per year

Interest rate at which Building Specific Security is amortized: 7.5%

Annual Cost of Services: \$471,271.60 per year or \$6.35 per Rentable Square Foot (RSF), plus accrued escalations per Paragraph 4.3, "Operating Costs"

Years 6 through 10:

Total Annual Rent: \$1,943,717.04 consisting of:

Annual Shell Rent: \$1,472,445.44 per year or \$19.84 per Rentable Square Foot (RSF),

Annual Cost of Services: \$471,271.60 per year or \$6.35 per Rentable Square Foot (RSF), plus accrued escalations per Paragraph 4.3, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$2,734,998.00 or \$42.00 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 0% amortization rate over the firm term of 5 years. The Government, at its

Lessor JBS Government JH

RIDER TO LEASE GS-03B-09606

election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 0% 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.

In accordance with the lease negotiations, the lessor has offered free rent to the Government for the first 6 months of the lease. Therefore, the first 6 months of the lease shall be provided at no cost to the Government.

All rights, responsibilities, and obligations that bind the Lessor and Government under this lease agreement, including the General Clauses, and any other attachments hereto, shall pertain to the entire space under lease, including the free space.

14. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.1, "Tenant Improvements Pricing Requirements" of the Lease, the Lessor's Tenant Improvement Fees are established as follows:

- 1) General Conditions charged by the Lessor's General Contractor for Tenant Improvements requested by the Government are 5% of Total Subcontractors' costs.
- 2) General Contractor's fee charged by the Lessor for Tenant Improvements requested by the Government is 5% of Total Subcontractors' costs.
- 3) Architectural/engineering fees charged by the Lessor for Tenant Improvements requested by the Government are 6% of Total Tenant Improvement Construction Costs.
- 4) Project Management fees charged by the Lessor for Tenant Improvements requested by the Government are 7% of Total Tenant Improvement Construction Costs (not applied to A/E fees).

15. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime HVAC services is \$43.00 per hour.

Lessor *[Signature]* Government *JH*

RIDER TO LEASE GS-03B-09606

16. 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 \$1.67 per ANSI/BOMA Office Area square foot.

17. 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"

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