

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE (Award Date)

March 12, 2010

LEASE NO.

GS8PC LCO14485

THIS LEASE, made and entered into this date by and between, COPT Newport, LLC, as LESSOR whose interest in the property hereinafter described is that of Owner and whose address is:

COPT Newport, LLC
6711 Columbia Gateway Dr., Suite 300
Columbia, Maryland 21046 - 2294

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 36,911 rentable square feet (RSF) of office and related space, which yields 32,443 ANSI/BOMA Office Area square feet (OASF) of space at The Newport Center 1 Building, 1670 North Newport Road Suites 100 and 200, Colorado Springs, Colorado 80916-2750, to be used for such purposes as determined by Government. Included in the rent at no additional cost to the Government are 100 surface parking spaces. In addition, a secured parking area directly adjacent to the Premises will be provided by the Lessor that will be used by the Government without additional rental cost during the term of the lease for additional vehicle parking and or storage. A map of the area is attached, colored in red, and marked as Exhibit 1 on Addendum A.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on June 1, 2010 and continuing through May 31, 2020, except that the Government may terminate this lease for any reason after first giving a 120 day notice after May 31, 2015.
3. The Government shall pay the Lessor annual rent of \$21.00 PRSF in the annual amount of \$775,131.00 per year, in arrears for years 1 - 5. Should this Lease not be terminated at the beginning of the 6th year, the full service rental rate shall be increased to \$22.25 p.r.s.f. in the annual amount of \$821,269.75. Rent for a lesser period shall be prorated.

Rent checks shall be made payable to

COPT Newport, LLC
6711 Columbia Gateway Dr., Suite 300
Columbia, Maryland 21046 - 2294

4. The following are attached hereto and made a part hereof:

- A. Addendum
- B. Solicitation for Offers CO 10 2637 dated March 3, 2010.
- C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. [9/01])
- D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [9/01])
- E. Special Requirements
- F. A Floor Plan of the Premises
- G. GSA Form 12000
- H. GSA Form B
- I. Attachments A-K


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

LESSOR

COPT NEWPORT, LLC


BY

IN PRESENCE OF

 Roger A. Waesche, Jr.
(Signature) Executive Vice President

UNITED STATES OF AMERICA

BY

 Leasing Contracting Officer, General Services
(Signature) Administration

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

A. Remodel the Premises in accordance with standards set forth in SFO CO 10 2637 dated March 10, 2010. The Lessor shall prepare Design Intent Drawings, (DID's) and shall submit same to the Government for its approval not later than fourteen (14) business days after mutual execution of this contract. The Lessor shall complete the Construction Drawings, (CD's) not later than thirty, (30) working days from the time of Government approval of the DID's. The CD's shall be furnished to the Government and be priced 15 working days after receipt of the Government's approval of the CD's by three, (3), qualified tenant improvement contractors as defined within the SFO. The Government shall notify the Lessor of any changes to the CD's and deliver same to the Lessor not later than 5 working days after receipt of same. If there are no changes required, then a "Notice To Proceed" from the Government shall be delivered to the Lessor within 5 working days. The space must be substantially complete and ready for occupancy not later than 45 working days after final approval by the Government of the CD's. The Lessor shall provide to the Government within 30 days of the acceptance of the premises, a full accounting of the Tenant Improvement Costs and differentiate between the Warm Lit Shell Costs and the Tenant Improvement Costs, as defined in the SFO. The Lessor, or its architect or its contractor, shall furnish the CD's as part of its TI contribution as stated herein, and shall conduct weekly construction meetings and shall produce minutes of each meeting. The Lessor hereby waives restoration.

B. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer or her representative.

C. In addition to the remedies as specified in SFO, in the event of failure by the Lessor to provide the space alterations under this lease in an expeditious and business like manner, the Government may, by contract or otherwise, provide the items/alterations and charge to the Lessor any cost incurred by the Government that is related to the provision of such, including any administrative costs; and deduct such costs from the rental payments.

6. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 54.68%.

7. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$5.59 PRSF (\$206,332.49 per annum).

8. In accordance with paragraph 3.2 of the SFO, titled "Tax Adjustment", the tax base for adjustment \$1.79 per rentable square foot. The Government shall pay its pro rata share of any increase in the property taxes as defined when such increases are not caused by the owner.

9. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.137718460.

10. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.00 RSF for vacant space (rental reduction).

11. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage is established as \$80.00 per hour for the entire building or any portion thereof.

12. The Lessor shall make available to the Government \$349,871.76 as its contribution toward the Tenant Improvements (TI's) for the initial build out of the Premises. This contribution is in addition to the Lessor's costs to complete the warm lit shell portion of the Premises. A preliminary cost budget marked as Exhibit 4 is hereto attached. All costs of drawings, including but not limited to, Space Planning, Design Intent Drawings and Construction Drawings shall be paid by the Government from the Lessors TI contribution. The total estimated costs of drawings shall be first approved by the Contracting Officer. Preliminary Drawings are herewith attached and marked as Exhibit 2. Should the costs of the TI's exceed \$349,871.76, at the option of the Government, the Lessor shall amortize the excess improvements over the firm term of the lease at an annual interest rate not to exceed 9%.

Addendum A is attached hereto and by reference made a part hereof.

LESSOR COPT Newport, LLC

UNITED STATES OF AMERICA

BY

RAC
(initial)

BY

Roger A. Waesche, Jr.
(initial)