

SUPPLEMENTAL LEASE AGREEMENT

TO LEASE NO.
GS- 03B-09074

ADDRESS OF PREMISES
City Crescent Building
10 South Howard Street
Baltimore, MD

THIS AGREEMENT, made and entered into this date by and between
City Crescent Limited Partnership
c/o Otis Warren Real Estate Services
whose address is 10 South Howard Street
Baltimore, Maryland 21201

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

WHEREAS, the parties hereto desire to amend the above Lease.

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

- A. Lessor shall furnish, install and maintain all labor, material, tools, equipment services and associated work to provide the alterations as described in the:
 - 100% CD Drawings of August 3, 1998 issued by Gensler,
 - Gensler's Project Manual for [REDACTED] Store [REDACTED], August 3, 1998,
 - Addendum No. 1. of August 27, 1998, issued by Gensler,
 - Addendum No. 2. of August 28, 1998, issued by John J. Christie & Associates, P.C.
 - [REDACTED]'s expansion of security system
 - [REDACTED]'s Graphic Design Works

These documents are incorporated by reference. These documents described the required alterations for the [REDACTED] at the City Crescent Building, 10 South Howard Street, Baltimore, MD.

B. The cost to the Government for all the work described in Paragraph A. shall be a lump sum payment of \$270,052.00, in accordance with the price proposal submitted by the lessor on September 14, 1998. (\$296,444.00, less \$26,392 for tenant allowance.)

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 City Crescent Limited Partnership
Otis Warren Real Estate Services, Inc., General Partner
BY [REDACTED] *Yes* President

[REDACTED] (Title)
[REDACTED]
10 S. Howard Street, Suite 110, Balb, MD 21201 (Address)

UNITED STATES OF AMERICA General Services Administration, Public Building Service
BY [REDACTED] Contracting Officer

[REDACTED] (Official Title)

C.1. Paragraph 1 of the Lease Standard Form 2 is amended by deleting the existing text in its entirety and the following text is inserted in lieu thereof:

"1. The Lessor hereby leases to the Government the following described premises: 266,574 occupiable square feet of office space and specially constructed space, warehouse space and 89 Government-use parking spaces at the City Crescent Building, 10 South Howard St., Baltimore, Maryland, to be used for such purposes as may be determined by the General Services Administration. This represents a 1,821 square foot expansion."

C. 2. Paragraph 3 of Standard Form is amended by deleting the existing text in its entirety and the following text is inserted in lieu thereof:

"3. Government shall pay the Lessor annual rent of \$6,629,695.38 at the rate of \$552,474.62 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: City Crescent Limited Partnership, 10 South Howard Street, Suite 110, Baltimore, MD 21201."

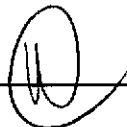
D. Upon completion of work, lessor shall notify GSA's Contracting Officer to arrange for inspection. After inspection and acceptance by the Government, the lessor shall conform to GSA's lump sum payment procedures by forwarding to the General Services Administration, Chesapeake Realty Services District, 3PCB, 100 Penn Square East, Philadelphia, PA 19107, a properly executed invoice for the installation. A proper invoice shall reference the lease and supplement number; shall describe the work and amount billed and shall state where the check is to be made payable.

E. Lessor shall provide adequate storage space for the related equipment and supplies until the work is completed at no additional cost to the Government.

F. It is understood that the Government retains title to all items covered by this agreement and may remove the same if so desired. In the event such are not removed by the Government at the end of this lease term or any extension thereof, title shall vest in the lessor and all rights of restoration shall be waived.

G. All work shall be completed 90 days from receipt by the lessor of the award letter. In case of failure on the part of the lessor to complete the work within the aforementioned time frame of this supplemental lease agreement (SLA), the lessor shall pay the Government as fixed and agreed liquidated damages, pursuant to this clause, the sum of \$175.00 a day for every calendar day that the delivery is delayed beyond the date specified for completion of this SLA work.

Lessor



Government



H. INSPECTION OF CONSTRUCTION

(A) Definition. "Work" includes, but is not limited to materials, workmanship, and manufacture and fabrication of components.

(B) The Lessor shall maintain an adequate inspection system and perform such inspections as will ensure that the work performed is required under the contract requirements. The Lessor shall maintain complete inspection records and make them available to the Government upon request. All work is subject to Government inspection and test at all reasonable times before acceptance, to ensure strict compliance with terms of the contract.

(C) Government inspecting and tests are for the sole benefit of the Government and do not--

- (1) Relieve the Lessor of responsibility for providing adequate control measures;
- (2) Relieve the Lessor of responsibility for damage to or loss of the material before acceptance;
- (3) Constitute or imply acceptance; or
- (4) Affect the continuing rights of the Government after acceptance of the completed work under paragraph (1) below.

(D) The presence or absence of a Government inspector does not relieve the lessor from any contract requirements, nor is the inspector authorized to change any term or condition of the specification without the Government Contracting Officer's written authorization.

(E) The Lessor shall, without charge, replace or correct work found by the Government not to conform to contract requirements, unless in the policy interest the Government consents to accept the work with an appropriate adjustment in contract price. The Lessor shall promptly segregate and remove rejected material from the job site.

(F) If the lessor does not promptly replace or correct rejected work, the Government may (1) by contract or otherwise, replace or correct the work and charge the cost to the lessor or (2) terminate for default the Lessor's right to proceed.

(G) If, before acceptance of the entire work, the Government decides to examine already completed work by removing it or tearing it out, the Lessor, on request shall promptly furnish all necessary facilities, labor and material. If the work is found to be defective or non-conforming in any material respect due to the fault of the Lessor or its subcontractors, the Lessor shall defray the expenses of the examination and of satisfactory reconstruction. However, if the work is found to meet contract requirements, the Government Contracting Officer shall make an equitable adjustment for the additional services involved in the examination and reconstruction, including, if completion of the work was thereby delayed, an extension of time.

(H) Unless otherwise specified in the contract, the Government shall accept, as promptly as practicable after completion and inspection, all work required by the contract or that portion of the work Government/Contracting Officer determines can be accepted separately. Acceptance shall be final and conclusive except for latent defects, fraud, gross mistakes amounting to fraud, or the Government's rights under any warranty or guarantee.

(I) After final inspection and acceptance of such work by the Government, an invoice duly executed by the lessor for the cost of the work completed shall be forward to the General Services Administration, Chesapeake Realty Services District, 3PCB, 100 Penn Square East, Philadelphia, PA 19107.

The following clause, General Conditions for Lease alterations, are hereby added to this lease:

Initials:
 Lessor

 Government

GENERAL CONDITIONS FOR LEASE ALTERATIONS

1. CONDITIONS AFFECTING THE WORK.

It is the responsibility of the lessor to inspect the site, determine the quantity of work involved, compare the specifications with the work to be done, and informed as to all conditions, including other work, if any, being performed, Failure to do so will in no way relieve the lessor from the necessity of furnishing any materials or performing any work that may be required to carry out the agreement in accordance with the true intent and meaning of the specifications without additional cost to the Government.

2. SPECIFICATIONS.

In any case of discrepancy in the specifications, the matter shall be immediately submitted to the Contracting Officer, without whose decision said discrepancy shall not be adjusted by the lessor, save only at his own risk and expense.

3. TERMINATION FOR THE CONVENIENCE OF THE GOVERNMENT.

(a) The Contracting Officer, by written notice, may terminate this agreement, in whole or in part, when it is in the interest of the Government. If this agreement is terminated, the lessor shall be compensated in accordance with the provisions of 48 CFR 49 in effect on this agreement's date.

(b) If this agreement exceeds \$100,000, the clause in 48 CFR 52.249-2 in effect on the date of this agreement shall apply in lieu of the provisions set forth in (a), above, such clause being hereby incorporated by reference as fully as if set forth at length herein.

4. LAWS AND ORDINANCES.

The lessor shall comply with all laws, ordinances, and regulations (Federal, State, County, City, or otherwise).

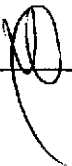
5. SCHEDULING AGREEMENT WORK.

The lessor shall make necessary arrangements with the Contracting Officer or his representative to perform the work and shall arrange and schedule his work so that the *minimum* amount of interference with Government activities will result. All work shall be done after the Governments business hours or on weekends.

6. USE OF BUILDING

The lessor shall prohibit his employees from disturbing papers on desks, opening desk drawers or cabinets, or using telephone or office equipment provided for official Government use. The lessor shall require his employees to comply with instructions pertaining to conduct and building regulations issued by duly appointed officials, such as the Building Manager, guards, inspectors, etc.

Lessor



Government



10. LESSOR EMPLOYEES

Each employee of the lessor shall be a citizen of the United States of America or an alien who has been lawfully admitted for permanent residence as evinced by Alien Registration Receipt Card Form 1-151, or who presents evidence from the Immigration-and Naturalization Service that employment will not affect his immigration status.

11. EXTRAS

Except as otherwise provided in this agreement, no charge for extra work or materials will be allowed unless the same has been ordered in writing by the Contracting Officer and the price stated in such order

12. PRICING OF ADJUSTMENTS

When costs are a factor in any determination of an agreement price adjustment pursuant to the changes clause or any other provision of this agreement, such costs shall be in accordance with the contract cost principles and procedures in 48 CFR 31.

13. DEBRIS AND CLEANING

Remove and dispose of debris and dirt as it accumulates. Upon completion of work, remove spatters, droppings, smudges, etc., and leave the premises clean. Unless otherwise specified, all materials and equipment removed shall become the property of the lessor who shall remove them from the job site.

14. GUARANTEE

Unless otherwise provided in the specifications, the lessor guarantees all work to be in accordance with the requirements of this agreement and free from defective or inferior materials, equipment, and workmanship.

15. INSPECTION

All material, workmanship, and equipment shall be subject to the inspection and approval of the Contracting Officer or his representative. All work unsatisfactorily performed shall be promptly corrected and made acceptable to the Government.

16. INDEMNITY

The lessor shall save and keep harmless and indemnify the against any and all liability claims, and costs of kind and nature for injury to or death of any person and for loss or damage to any property (Government or otherwise) occurring in connection with or in any way incident or arising out of the occupancy, use, service, operations, or performance of work in connection with this agreement, resulting in whole or in part from the negligent acts or omissions of the lessor.

Lessor



Government

