

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

2/29/2012

LEASE NO.

GS-03B-12033

BLDG. NO.

THIS LEASE, made and entered into this date by and between DULANEY CENTER BUSINESS TRUST
whose address is 6000 EXECUTIVE BLVD
NORTH BETHESDA, MD 20852-3803

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:

21,344 Rentable Square Feet (RSF) yielding approximately 18,560 ANSI/BOMA Office Area (ABOA) square feet and related space on the 4th floor of the building commercially known as Dulaney Center I, whose address is 849 Fairmount Avenue, Towson, MD 21204-2624 to be used for such purposes as determined by the General Services Administration. Four (4) reserved structured parking spaces are provided at no additional cost.

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:

DULANEY CENTER BUSINESS TRUST
6000 EXECUTIVE BLVD
NORTH BETHESDA, MD 20852-3803

4. The Government may terminate this lease in whole or in part at any time effective after the fifth (5th) full year of occupancy by giving at least ninety (90) days' prior 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 paragraph is intentionally deleted since no renewal options are provided.

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. Build-out in accordance with standards set forth in SFO No. 9MD2216-A dated August 30, 2011 and the Government's approved design intent drawings. Per Paragraph 5.8.B of the Lease, the Government shall prepare and provide to the Lessor the Government's approved design intent drawings based upon the base building drawings provided by the Lessor as required in the "BUILDING AND SITE INFORMATION SUBMITTALS" paragraph of this SFO. All tenant alterations shall be completed by the lease effective date identified in Lease Rider Paragraph 13.

- C. The Lessor and Jones Lang LaSalle (the Broker) have agreed to a cooperating lease commission of [REDACTED] based on Aggregate Lease Value over the firm term. The total amount of this commission is [REDACTED] Gross Commission). For the benefit of the Government, and in accordance with terms of the GSA National Broker Contract, 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, i.e., [REDACTED] (Net Commission), to the Broker in two (2) installments, fifty percent (50%) upon receipt of invoice following lease execution, and the remaining fifty percent (50%) upon receipt of invoice following occupancy. The Lessor shall pay the Broker no additional commissions associated with this lease transaction.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully capture this Commission Credit. The reduction in shell rent shall commence with the fourth (4th) month's rental payment and continue as indicated in this schedule for adjusted monthly rent:

INITIALS: AGL & [Signature]
Lessor Government

Fourth (4th) Month's Rental Payment of \$54,862.64 (which includes \$29,917.17 Shell) minus [REDACTED] Commission Credit (1/2) equals [REDACTED].

Fifth (5th) Month's Rental Payment of \$54,862.64 (which includes \$29,917.17 Shell) minus [REDACTED] Commission Credit (1/2) equals [REDACTED].

The full Commission Credit is captured in two (2) months and regular monthly payments of \$54,862.64 will ensue in the sixth (6th) month of the base year.

*Subject to adjustment upon determination of actual TI expenditure.

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

- A. Rider to Lease No. GS-03B-12033 (2 pages)
- B. Solicitation for Offers # 9MD2216-A and Special Requirements (51 pages)
- C. SFO Amendment No. 1 dated September 16, 2011 (1 pages)
- D. GSA Form 3517B, "General Clauses" version dated 07/08 (33 pages)
- E. GSA Form 3518, "Representations and Certifications" version dated 01/07 (7 pages)
- F. Floor Plate (4th Floor) dated 10/26/2011 - Exhibit "A" (1 page + cover)
- G. Statement of Energy Efficiency and Conservation - Exhibit "B" (1 page + cover)
- H. Window Narrative to Address Sound Attenuation Specifications/STC Ratings - Exhibit "C" (2 pages + cover)

8. The following changes were made in this lease prior to its execution:

- A. The following paragraphs were deleted in their entirety:
1.3, 1.4, 1.7, 1.9, 1.10, 2.0 through 2.3, 3.1, and 3.4
- B. The following paragraphs were deleted in part and/or amended:
1.1, 1.8, 3.5, 3.6, 3.7, and 6.7

This lease contains 100 pages.

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

LESSOR

[REDACTED] s agent

Anthony G. La Barbera
Anthony G. LaBarbera, President (Printed Name)

11/16/12
10000 Executive Blvd, Ste 400, N. Bethesda,
(Address) MD 20852

SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY [REDACTED]

Contracting Officer
(Official title)

AGL [Signature]

RIDER TO LEASE GS-03B-12033

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. In addition to the four (4) reserved parking spaces provided at no additional cost, as indicated on paragraph 1 of SF-2 of the lease, the Lessor agrees to provide a parking pass rate of \$80.00 per space per month for up to eighty-five (85) additional structured spaces, located in any open and unreserved area of the garage and available on a first come/first serve basis, should the Government or employees choose to utilize. The \$80.00 monthly parking pass rate will remain flat throughout the ten (10) year lease duration and is not subject to escalation.
11. In accordance with Paragraph 4.2.B.9, the total percentage of space occupied by the Government under the terms of the lease is equal to 16.72% 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 21,344 Rentable Square Feet by the total building space of 127,628 Rentable Square Feet.
12. For purposes of determining the base rate for future adjustments to the operating costs, the Government agrees that the base rate of \$6.07 per Rentable Square Foot is acceptable. This figure includes the Government's pro-rata share of operating costs.
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 one hundred twenty (120) 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, 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 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 of the General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 5:

Total Annual Rent: \$658,351.63 per year

Free Rent: three (3) months during base year (aggregate value of \$164,587.90)**

Shell Rent: \$359,006.08 per year or \$16.82 per Rentable Square Feet (RSF)

Amortized annual cost for Tenant Improvement Allowance*: \$164,505.47 per year

Interest rate at which Tenant Alterations are amortized: five percent (5%)

Amortized annual cost for Building-Specific Security: \$5,282.00 per year

Interest rate at which Building-Specific Security is amortized: zero percent (0%)

Annual Cost of Services: \$129,558.08 per year or \$6.07 per Rentable Square Foot (RSF), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

RIDER TO LEASE GS-03B-12033

Years 6 through 10:

Total Annual Rent: \$542,351.04 per year

Shell Rent: \$412,792.96 per year or \$19.34 per Rentable Square Foot (RSF)

Annual Cost of Services: \$129,558.08 per year or \$6.07 per Rentable Square Foot (RSF), plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of **\$726,438.40** or **\$39.14** per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the **5%** amortization rate over the firm term of **five (5)** years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the **5%** 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 three (3) months of the lease. Therefore, the first three (3) months of the lease shall be provided at no cost to the Government.

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

- (1) Architectural/Engineering fee charged by the Lessor for Tenant Improvements is **seven percent (7%)** of total construction costs
- (2) General Conditions charged by the Lessor's General Contractor for Tenant Improvements is **five percent (5%)** of total subcontractors costs
- (3) General Contractor's fee charged by the Lessor for Tenant Improvements is **five percent (5%)** of total subcontractors costs
- (4) Lessor's Project Management fee is **five percent (5%)** of total Tenant Improvements construction costs (not to be applied against A/E fees)

15. In accordance with SFO Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is **\$49.00** per hour.

16. In accordance with SFO Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the leased premises or vacates the premises in whole or in part prior to the expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by **\$2.15** per ANSI/BOMA Office Area (ABOA) 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"