

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

APR 07 2011

LEASE NO.

GS-03B-11311

THIS LEASE, made and entered into this date by and between Norfolk Commerce Park, LLC

whose address is 7600 Wisconsin Avenue
11th Floor
Bethesda, Maryland 20814-4887

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:

22,501 Rentable Square Feet yielding approximately 21,500 ANSI/BOMA Office Area square feet and related space located at the Norfolk Commerce Park II, 5301 Robin Hood Road, Norfolk, Virginia 23513-2419, together with 135 surface parking spaces.

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:

Norfolk Commerce Park, LLC
7600 Wisconsin Avenue
11th Floor
Bethesda, Maryland 20814-4887

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) full year of occupancy by giving at least ninety (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: (Number of Options) (Option Term) year period(s) at the annual rental of \$ _____ (\$ _____ per ABOA square foot), plus accrued operating cost escalations~~

~~provided notice be given in writing to the Lessor at least _____ 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.~~

SFO NO. 9VA2189 / LEASE NO. GS-03B-11311

INITIALS:


LESSOR

& 
GOV'T

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.

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

- A. Rider to Lease GS-03B-11311
- B. Solicitation for Offers # 9VA2189
- C. GSA Form 3517, "General Clauses" version dated 11/05
- D. GSA Form 3518, "Representations and Certifications" version dated 1/07
- E. Floor Plan(s)
- F. Small Business Subcontracting Plan dated 1/31/2011

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

A. The Lessor, at their own expense, agrees to provide new paint and carpet in the "existing" 10,963 ANSI/BOMA Office Area square feet currently under lease to the Government by GSA Lease Contract No. GS-03B-10218 which is to be replaced with this succeeding Lease Contract No. GS-03B-11311 and which is included in this lease. This includes moving and return of furniture.

*Other than the paint and carpet mentioned above, the existing premises were offered and accepted in their "as-is" condition.

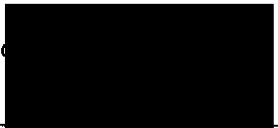
TMZ
[Signature]

This lease contains 104 pages

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

LES
BY 
(Signature)

Timothy M. Zulick
Senior VP, Leasing

IN PRESENCE OF 

First Potomac Realty Trust
7600 Wisconsin Ave., 11th Floor
Bethesda, MD 20814

(Address)

UNITED STATES GOVERNMENT GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY 
(Signature)

Contracting Officer
(Official title)

Lessor TMZ Gov't [Signature]

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 17.47% 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 22,501 rentable square feet by the total building space of 128,770 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 \$5.05 per ANSI/BOMA Office Area (ABOA) square foot, 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 ninety (90) 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

Lessor TMZ Government BY

RIDER TO LEASE GS-03B-11311

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 General Clauses, GSA Form, 3517, "Payment" at the rate of:

Years 1 through 5:

The total annual rent of \$442,095.90 breaks down as follows*:

Shell Rent: \$239,725.00 per year or \$11.15 per ANSI/BOMA Office Area Square Foot (ABOA)

Amortized annual cost for Tenant Improvement Allowance*:
\$93,795.90 per year

Interest rate at which Tenant Alterations are amortized: 7%

Amortized annual cost for Building Specific Security: \$0.00 per year

Annual Cost of Services: \$108,575.00 per year or \$5.05 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per Paragraph 4.3 "Operating Costs"

Years 6 through 10:

The total annual rent of \$348,300.00 breaks down as follows*:

Shell Rent \$239,725.00 per year or or \$11.15 per ANSI/BOMA Office Area Square Foot (ABOA)

Annual Cost of Services: \$108,575.00 per year or \$5.05 per ANSI/BOMA Office Area Square Foot (ABOA), plus accrued escalations per Paragraph 4.3, "Operating Costs"

Lessor TML Government [Signature]

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*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$394,740.00 or \$18.36 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 7% 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 7% 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.

14. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.2, "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 is 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 is 7% of Total Tenant Improvement Construction Costs.

4) Project Management fees charged by the Lessor for Tenant Improvements requested by the Government is 5% of Total Tenant Improvement Construction Costs.

15. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime HVAC services is \$35.00 per hour.

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

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lease, the rental rate for the vacated portion of the space will be reduced by \$1.55 per ANSI/BOMA Office Area square foot.

17. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove 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 right of restoration waived.

18. 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"

Lessor TMZ Government [Signature]