

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE STATE OF MARYLAND AND**

**STATE CENTER LLC**

**FOR AN EXCLUSIVE NEGOTIATING PRIVILEGE**

This Memorandum of Understanding (“MOU”) executed this 28<sup>th</sup> day of June, 2007 by and between the Maryland Department of General Services (hereinafter referred to as “DGS”), acting on behalf of the State of Maryland (hereinafter referred to as “State”), and the State Center LLC (hereinafter referred to as the “SC”) sets forth the general understanding and agreement of the parties with respect to the process for developing a Master Development Agreement for Transit Oriented Development at State Center in Baltimore, Maryland.

**RECITALS**

A. WHEREAS, DGS issued a Request for Qualifications for a Master Developer Team for State Center, a Transit-Oriented Development, on September 21, 2005 (as supplemented and amended, the “RFQ”). The RFQ requested qualifications from interested developers regarding the development of approximately twenty-five (25) acres owned by the State and located in the State office complex known as “State Center” in Baltimore, Maryland, and as is more particularly described in Section 2.9 of this Agreement (hereinafter referred to as the “Property”).

B. WHEREAS, SC submitted a response under the date of November 30, 2005 (the “State Center Response”).<sup>1</sup> Included within the State Center Response were sections outlining the composition of its development team and approach to Transit Oriented Development.

C. WHEREAS, DGS advised SC that it had been selected for the exclusive initial right to negotiate definitive agreements with DGS to develop the Property.

D. WHEREAS, the parties hereto agree that this MOU is intended to confirm the exclusive nature of the negotiations among the parties for development of the Property, identify

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<sup>1</sup> At the time SC submitted its response, it was organized as The State Center Partnership.

steps that each party is expected to undertake and complete during the interim period, and provide for such contingencies as the parties deem appropriate.

E. WHEREAS, this MOU is intended to be the first part of a three-step process as follows: 1) MOU Exclusive Negotiating Period (120 Days) which leads to 2) Interim Development Agreement (360 Days) and concluding with 3) Development Plan and Master Development Agreement.

F. WHEREAS, although DGS has agreed to act on behalf of the State in connection with the execution of this MOU and DGS will have a defined role within the development of the other "Primary Documents" (hereinafter defined), SC acknowledges that subsequent documents executed on behalf of the State by other State agencies may contain additional rights and impose additional obligations upon SC in favor of one or more State entities with an interest in the Property or the Project, (such entities are collectively referred to herein as "Stakeholders") which may or may not include DGS. SC also acknowledges that to gain access to portions of the Property not owned or controlled by DGS, SC will be required to deal directly with the Stakeholder that owns or controls such portions of the Property and SC may be subject to such requirements and limitations upon such access as those entities may impose.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties hereto, the following constitute the terms of this MOU:

1. **Recitals:** The Recitals constitute part of this MOU, and represent a statement of the parties as to the current status of the transaction.

2. **Definitions:** The following defined terms are used in this MOU:

2.1 **"Breach"** means any one or more of the following: (a) SC has made a material misrepresentation in the SC Response, which in the reasonable judgment of the DGS, cannot be cured or corrected, or materially undermines the process by and the reasons for which SC was selected; (b) SC is in material default of any of its material obligations under the Right of Entry, and has failed to cure such default within fifteen (15) days of written notice thereof or such lesser period as may be specified in the event of an emergency declared by the State; (c) SC or any one of its members files a voluntary petition for relief under any state or federal bankruptcy or insolvency law; (d) an involuntary petition for relief under any state or federal bankruptcy or insolvency law is filed by a creditor of SC or any one of its members, and such petition is not dismissed within 45 days; (e) SC or any one of its members executes as the assignor or debtor an assignment for the benefit of creditors; or (f) either DGS or the Maryland Department of Transportation ("MDOT") determines, in its reasonable judgment, that SC is not performing in accordance with its obligations under this MOU, and such failure is not cured, to the reasonable satisfaction of DGS or MDOT, as applicable, within fifteen (15) days of written notice to SC (or if not susceptible to cure within such period, a cure is initiated and diligently and expeditiously cured thereafter).

2.2 **"Deposit"** means a performance security in the amount of One Hundred Thousand Dollars (\$100,000). Acceptable forms of security include U.S. Treasury Bonds, bank letters of credit (in a form reasonable satisfactory to DGS, MDOT or the applicable Stakeholder),

cashier's checks, certified checks, money orders, and certificates of deposit (interest may be made payable to SC's account, at the election of the applicable Stakeholder, which election will be made prior to the delivery of the Deposit).

2.3 **"Interim Development Agreement"** means the agreement to be negotiated among DGS, other Stakeholders, and SC (or a permitted successor or assignee) during the Term of this MOU that, if agreed upon and executed and delivered, will provide for completion of the tasks outlined in Section 6 hereof.

2.4 **"Master Development Agreement"** means the agreement to be among DGS, other Stakeholders and SC (or a permitted successor or assignee) during the Term of the Interim Development Agreement that, if agreed upon and executed and delivered, will grant to SC the rights: (a) to develop the Property in accordance with the Master Development Agreement and Development Plan, and subject to certain schedules, timetables and deadlines; and (b) to engage in such other activities with regard to the Property as are incorporated therein. In exchange, SC will assume certain obligations: (i) to plan, develop and finance the Project in accordance with the Master Development Agreement and Development Plan, (ii) to construct the Public Facilities, and (iii) to provide such management and maintenance of such portions of the Project as have been agreed to with DGS and other Stakeholders within the Master Development Agreement.

2.5 **"Community Input Meetings"** means the series of meetings to be organized with the DGS, MDOT, certain Baltimore City agencies, and other Stakeholders and conducted by SC to obtain input from groups, identified by MDOT and Baltimore City, during development of the Development Plan.

2.6 **"Public Facilities"** means building space including space for State operations, parking garages and lots, streets, sidewalks, streetscape improvements, parks and other open space, and other facilities generally open to and used by the public.

2.7 **"Primary Documents"** means one or more of this MOU, the Interim Development Agreement, the Master Development Agreement and subsequent documents necessary to implement the Interim Development Agreement or the Master Development Agreement provisions, including leases, purchase agreements, construction contracts, memoranda of understanding, or any other relevant contract.

2.8 **"Project"** means the totality of the development to be constructed on the Property, including the Public Facilities, for which SC has been given responsibilities under the Master Development Agreement.

2.9 **"Property"** means those certain land holdings, of approximately twenty-five (25) acres, owned in part or in entirety and titled to the State and/or DGS, the State Department of Labor, Licensing and Regulation, Maryland Military Department, MDOT or other Stakeholders and located in the State property complex known as "State Center" in Baltimore, Maryland. The Property is more particularly identified on Exhibit 1, attached hereto and made a part hereof. SC acknowledges that there may be portions of the Project that are not controlled by DGS or other Stakeholders and that SC may be required to obtain the approval of the owners of

such portions of the Property to be able to proceed with the development of the Project in accordance with the Master Development Agreement. Such portions of the Project may include, by way of example only, streets and other rights-of-way owned or controlled by local public entities or utilities and other public and private interests that would be customarily disclosed by an ALTA survey of the Property. SC is solely responsible for conducting such due diligence as is required to disclose these other interests and obtaining all such approvals in connection with such interests as may be required to proceed with development in accordance with the Master Development Agreement.

2.10 “**Development Plan**” means the plan for the Project to be created by SC in consultation and collaboration with DGS, MDOT, other Stakeholders, Baltimore City, surrounding neighborhoods and other stakeholders in the Property. The Development Plan will be finalized, in part based on the Community Input Meetings and the negotiation of the Interim Development Agreement, and in part through a process to be set forth in the Master Development Agreement.

2.11 “**Right of Entry**” means those certain Rights of Entry granted or to be granted by various state entity stakeholders to SC to allow for access to certain portions of the Property in order for SC to inspect and gather information as needed to complete its assigned tasks pursuant to this MOU. Stakeholders may only grant rights-of-entry to portions of the Property and facilities which they own or otherwise control. In granting such rights-of-entry, Stakeholders have the right to specify the terms and conditions to which SC and its contractors, employees, and agents must adhere, including, by way of example only, providing insurance coverage of the types and in the amounts required by the Stakeholders. In the event that any activities by or on behalf of SC may occur within fifty (50) feet of any facility (including, by way of example only, structures, rail lines and power sources) owned or operated by the Maryland Transit Administration (“MTA”), SC agrees that it will not conduct any such activities until MTA has first been contacted and has authorized such activities in writing and SC has met all of the terms and conditions that MTA has specified, including, by way of example only, insurance and indemnification requirements.

2.12 “**Term Sheet**” means a document to be agreed upon during the term of the Interim Development Agreement in which the basic economic terms and phasing of the Project are set forth; the Term Sheet will either be attached to or replaced by the Master Development Agreement. The parties agree that under no circumstances shall the Term Sheet be construed or deemed to be a binding agreement between the parties and no binding obligations or liability shall be created upon the State or any Stakeholder in the absence of express conditions creating those obligations or liability within the Master Development Agreement.

2.13 “**Transfer**” means the assignment, grant, conveyance or other transfer of all or any portion of SC’s interest in, title to, or rights or obligations under this MOU.

3. **Duration:** This MOU will remain in effect for a period of one hundred twenty (120) days from the latest date of execution indicated on the signature page of this MOU, unless either extended or terminated as provided below (the “**Term**”). DGS and SC anticipate that this MOU will result in the Interim Development Agreement before the end of this one hundred twenty (120) day period.

3.1 **State Termination Clause:** DGS, MDOT and each Stakeholder shall have the right to terminate this MOU in connection with its respective interest at any time if SC has committed a Breach in connection with that specific interest, and no cure, if applicable, has been effected by SC within the time permitted.

3.2 **SC Termination Clause:** SC will have the right to terminate this MOU if DGS, MDOT, or the applicable Stakeholder has failed to perform its obligations under this MOU, and no cure, if applicable, has been effected by DGS, MDOT, or applicable Stakeholder within the time permitted.

3.3 **Time Permitted for Cure:** Unless otherwise stated, a Breach or failure to perform obligations under this MOU by DGS, MDOT, Stakeholder or SC must be cured within fifteen (15) days of delivery of written notice, or such lesser time as may be specified in the event of an emergency declared by the State.

3.4 **Effect of Termination.** No termination will be effective unless accompanied by a written notice that includes an explanation of the basis upon which the termination right is being exercised. Upon the termination of this MOU for whatever reason, (a) the Right of Entry shall terminate, saving for such obligations, rights and remedies that survive a termination pursuant to the terms thereof, (b) DGS and MDOT will have the right to begin negotiations with other prospective developers, including developers that responded to the RFQ, and (c) SC will indemnify DGS and MDOT against all liability arising from the failure of representations and warranties made herein and in the Right of Entry. In the event that the termination is exercised by any party for any reason, other than a Breach by SC, the Deposit shall be returned to SC. DGS may, nonetheless, retain the Deposit after terminating this MOU until any remaining restoration, insurance or active indemnity claims under the Right of Entry have been performed or satisfied, as the case may be. Upon the delivery of any such written notice, by either party, all parties shall be relieved of any obligation to continue to perform in accordance with this MOU, but not from their rights and obligations existing at the time of termination. Notwithstanding the foregoing, upon the termination of this MOU the parties remain obligated to seek a resolution of the matter in dispute within the time period provided, and SC remains obligated to indemnify the State and to return confidential documents as provided for in Paragraph 8 herein, all of which terms are deemed to survive the cancellation or termination of this MOU.

3.5 This MOU may be extended for up to two (2) periods of thirty (30) days each upon (a) written notice to SC by DGS, or (b) the written request of SC with DGS approval not to be unreasonably withheld. Any further extensions may be granted or denied by DGS in its sole and absolute discretion. All notices of and requests for extensions must be written and delivered to the other party prior to the expiration of the then current Term. No extension shall be granted unless DGS and MDOT are reasonably satisfied that progress, commensurate with the requirements of this MOU, has been made during the prior portion of the Term.

#### 4. **Obligations of Parties; Designated Representatives:**

4.1 SC is responsible for coordinating all work and services required by this MOU, with the support and cooperation of DGS and MDOT as provided herein. SC shall designate a representative who shall represent SC and have the power to bind SC as to all matters

pertaining to this MOU. Until further notice, such designated representative on behalf of SC is Caroline G. Moore, and such other persons as she may designate from time to time in a written notice to DGS and MDOT. While the SC Representative may be changed from time to time by SC, written notice is required.

4.2 DGS and MDOT are responsible for providing support and cooperation to SC in the performance of its obligations hereunder. DGS and MDOT shall each designate suitably authorized and experienced representatives who shall represent DGS and MDOT respectively, in connection with their separate interests in the Project. Until further notice, such designated representative on behalf of DGS is Nelson Reichart, and such other persons as he may designate from time to time in a written notice to SC. Until further notice, such designated representative on behalf of MDOT is James Peiffer, and such other persons as he may designate from time to time in a written notice to SC. DGS agrees to set up an interagency task force with representatives from State agencies located or to be located at the Property (and including a representative of the Governor's office) to meet with SC's development team on a bi-monthly or quarterly basis to review plans related to the State's use and the development of the Project.

5. **Designation of Exclusive Rights:** DGS and MDOT hereby agree that, until this MOU is terminated, they will use commercially reasonable efforts to negotiate with SC and with no other prospective developer. SC agrees to use commercially reasonable efforts to negotiate with DGS and MDOT and acknowledges that the brevity of the Term requires that considerable attention be devoted to the requirements of this MOU. DGS, MDOT and SC understand and agree that this MOU does not constitute a legally binding or enforceable agreement or commitment on their part to enter into an Interim Development Agreement and/or Master Development Agreement for the development of the Property. Such agreements are subject to the negotiation, execution and delivery of definitive legally binding agreements approved by SC's officers and the State's Board of Public Works ("BPW"). Notwithstanding any provision herein to the contrary, SC shall have no right to institute any action or proceeding to compel: (i) presentation of the aforementioned agreements to the BPW for approval, or (ii) approval of the aforementioned agreements to the BPW.

5.1 **Deposit:** In consideration of this exclusive designation, and to secure its performance under this MOU, SC has delivered to DGS, simultaneously with the signing of this MOU, the Deposit. DGS will retain, and when and if necessary, seek payment on the Deposit to satisfy any valid and quantifiable claims arising hereunder or under the Right of Entry in connection with a Breach by SC, or upon the termination of this MOU for a Breach. DGS, MDOT and other Stakeholders will not be limited to the Deposit as a sole remedy if there is a Breach of the Right of Entry. Should that occur, DGS, MDOT and other Stakeholders may avail themselves of any form of relief permitted under law or equity. In the absence of a Breach, the Deposit shall be returned to SC upon any termination of this MOU under the terms of Section 3.4. of this MOU or upon the expiration of this MOU. The parties anticipate that the Deposit will be replaced by performance security under the Master Development Agreement at the time that document is executed and delivered.

5.2 **Insurance:** While SC expects to enter the Property to undertake studies associated with SC's due diligence activities during the Term, it is not anticipated that SC will engage in any construction, demolition or other site work during the Term. If, however, SC does

undertake any such construction, demolition or other site work on the Property, it will procure before the commencement of any such work hereunder and shall maintain throughout the duration of any such work or as otherwise reasonably requested by DGS, MDOT, or any other Stakeholder, including, by way of example only, MTA, such insurance coverage as may be appropriate for the work. All such insurance shall be with a company or companies licensed to do business in the State of Maryland and shall be acceptable to the Stakeholder requiring the insurance. SC shall name the State and the Stakeholder identified by DGS and MDOT and their respective consultants, agents, employees, officers, directors, partners and lender as additional insureds on the insurance policies required below, which policies of insurance shall provide such additional insured with no less than thirty (30) days prior notice of cancellation. This insurance coverage shall include as a minimum the following:

(a) **Professional Errors and Omissions Insurance:** SC shall require the Project Architects to obtain professional errors and omissions insurance in an amount not less than one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) in the aggregate.

(b) **Worker's Compensation Insurance:** SC's liability insurance, at the statutory limits, for protection from disability benefits claims under Workers' Compensation laws and other employee benefit laws, claims for damages because of bodily injury, occupational sickness or disease or death of SC employees, or any employees employed by a member of SC's team, and any other liability.

(c) **Commercial General Liability:** Insuring against any liability for bodily injury, death or property damage occurring upon, in or about any part of the Property or Project arising from any act by SC on the Property or against which SC is required to indemnify DGS, MDOT, or any Stakeholder, with such policies to afford protection with respect to bodily or personal injury, including death, of not less than Two Million Dollars (\$2,000,000.00) per occurrence and in the amount of Five Million Dollars (\$5,000,000.00) per occurrence in respect of property damages, provided however, that such coverages shall not be contributory.

5.3 **Indemnity:** To the fullest extent permitted by law and notwithstanding the types of limits of insurance coverage set forth in this MOU, SC hereby covenants and agrees to indemnify, save and hold harmless DGS, MDOT, and other Stakeholders and their officers, directors, employees, agents and consultants, from and against any and all damages, claims, liabilities, losses, costs, and expenses including court costs and attorney's fees, arising from or resulting directly or indirectly from any acts by SC or any of its employees or agents in the performance of any undertaking pursuant to this MOU.

5.4 **Prohibition on Transfer:** SC shall not Transfer all or any portion of its interest in, title to, or rights or obligations under this MOU without the prior written consent of DGS and MDOT, which consent may be granted, granted conditionally or withheld in the sole and absolute discretion of DGS and MDOT.

6. **Undertakings During the Term:** The information needed prior to the creating the Master Development Agreement requires the performance of various tasks by SC, including, but not limited to, (A) analysis of DGS, MDOT and other Stakeholders requirements; (B) survey of Baltimore City and community needs and resources; (C) site investigation and analysis of existing conditions; (D) site and infrastructure planning; (E) analysis of parking utilization; (F) programming and completion of a development plan in concert with the comments obtained in the community input meetings; (G) obtaining an ALTA Land Title Report and Commitment for Title Insurance on the Property in the amount of the fair market value of the Property; (H) creation of marketing materials; (I) agreement on terms for the construction of commuter garages and transfer of the Property; (J) Project staging and phasing; (K) off-site planning; (L) strategy to mitigate lost parking during construction; (M) incorporation by SC of the construction of certain public infrastructure as part of the infrastructure for which it will be responsible in connection with the Project; (N) Project financing, both public and private; and (O) strategy to relocate the Maryland Military's operations currently housed at the Fifth Regiment Armory. Within thirty (30) days of the execution of this MOU, SC will provide DGS and MDOT with a schedule setting forth a proposed timeline within which the above undertakings will be completed.

6.1 **Community Input Meetings:** MDOT and SC will arrange for the Community Input Meetings to be held at reasonable intervals, and will be responsible for (a) identifying the local participants (with input from Baltimore City) and (b) distributing such materials as determined to be appropriate in order to obtain useful input from the participants at the Meetings. SC agrees to provide representatives reasonably acceptable to the MDOT to attend these Meetings, to meet with public officials to discuss the development review process, and to participate in the regular meetings with the DGS, MDOT and other Stakeholders.

6.2 **Right of Entry.** DGS, MDOT, or other Stakeholders may grant SC, its agents and contractors, a right-of-entry on that portion of the Property owned or controlled by such entity, and such entry shall be subject to such reasonable terms and conditions as such entity deems appropriate, including but not limited to, satisfaction of the insurance provisions above and security clearances.

6.3 **Compliance with the Right of Entry:** SC must comply with the terms of the Right of Entry. Any default by SC of its material obligations under the Right of Entry will be deemed a Breach of this MOU.

6.4 **Cooperation and Information Exchange:** The parties agree to meet regularly (which may be implemented by conference calls among all participants) to advise each regarding progress on any one or more of the undertakings required during the Term. SC agrees to share with DGS, MDOT and other Stakeholders such information as may be developed regarding financing, marketing, land-use issues, design questions and construction of the Project. DGS, MDOT and other Stakeholders shall provide copies of all existing reports, design studies, as-builts, traffic studies, environmental assessments (including lead paint, asbestos, and hazardous materials), building evaluations and engineering reports, geotechnical assessments, leases, rent roll, and operating expense reports, and other pertinent information indicating the condition of the Property during the Term. DGS and MDOT are responsible for providing a reasonable level of support and cooperation to SC in the performance of its obligations hereunder in connection with the Project and the Property. Notwithstanding, the immediately preceding



sentence shall be interpreted to mean providing support and cooperation in good faith and with no obligation to: (A) waive any requirement of law otherwise applicable; (B) provide, underwrite, or support in any matter any financial requirements of SC in connection with the Transit Oriented Development envisioned by this MOU, except to the extent that SC and DGS and MDOT have expressly agreed to such financial requirements in the Master Development Agreement; or (C) provide services, create information or otherwise undertake actions except as would ordinarily be made available to the general public and upon the same terms and conditions offered to the general public. All information provided by any State entity in connection with the Project is provided "AS IS" with no warranties or representations made or intended. SC is responsible for conducting its own due diligence and for relying on the results of such due diligence activities. DGS and MDOT acknowledge that SC may be providing preliminary or incomplete reports and studies as part of its undertakings hereunder, and that SC does not assume any responsibility for the accuracy of such information.

6.5 **Parity and Cooperation.** The willingness of SC to devote its resources and incur third-party expenses in fulfillment of its obligations under this MOU is predicated on the expectation that DGS will simultaneously devote a similar commitment of time and resources towards this cooperative undertaking. If DGS does not devote a level of commitment of time and resources commensurate with such undertakings as incurred by SC hereunder, SC shall not be deemed in default of its obligations hereunder solely by reason its decision not to commit internal resources and incur third-party expenses.

7. **Expenses:** Each party will be responsible for its own expenses incurred in connection with the performance of any obligations required by this MOU. No party will be responsible for the expenses of any other party, with the limited exception of expenses covered by the terms of the indemnification, insurance and related provisions of the Right of Entry.

8. **Confidentiality:** The parties agree that: (a) Each party and their officers, directors, employees, agents, consultants, and other advisors will maintain in confidence information regarding the Project received by that party that is not otherwise publicly available or permitted to be disclosed under Section 9 hereof, subject to disclosure required by any applicable law or regulation or mandates of any court including, but not limited to, the Maryland Public Information Act. Such information may be shared with members of each party's advisory team, including lawyers, accountants and other consultants. (b) In the event it is requested to divulge another party's confidential information under the color of law, regulation or mandate of any court, it will immediately provide written notice to the party that provided the confidential information. (c) If the parties decide not to proceed with the MOU, Interim Development Agreement or Master Development Agreement, SC will return all material containing or reflecting the information (including each and every copy, extract or other reproduction thereof), notes and all other materials to DGS, MDOT and other State Stakeholders and warrant their completeness. (d) SC will not use the confidential information except for the purpose of evaluating its development of the Property or the Project. (e) This confidentiality agreement shall survive the termination of this MOU.

9. **Publicity:** Each party executing this MOU agrees to coordinate any public statements through MDOT, or another State entity designated by DGS and MDOT. SC shall not issue, or authorize any other party to issue, any written press release, advertisement or other

formal communication (individually and collectively) to any media outlet (including, but not limited to, newspapers, radio and television stations and web sites) relating to the Project except in accordance with standards and guidelines approved by DGS. Unless otherwise required by law or court mandate, all press releases and public announcements regarding the Project will be made by MDOT or such other designated State entity. Notwithstanding anything herein to the contrary, SC may make known its selection hereunder where it deems necessary or appropriate and may re-distribute any previously issued news reports, press releases or other publicly available information about the Project and may post information on its website that has been or will be disseminated at any community input meeting, as approved by DGS.

10. **Representations:** Each party represents to the other parties that it has all necessary authority to enter into this MOU, to execute and deliver this MOU to the other parties, and to perform its obligations hereunder.

11. **Notices:** Any notices required by this MOU must be in writing and must be sent to the other parties at the addresses set forth below either by (a) hand delivery, in which event delivery occurs upon receipt (or if receipt is refused, when first accepted), (b) registered or certified mail, return receipt requested, in which event delivery is deemed to have occurred on the fourth business day after so mailed, or (c) nationally recognized overnight courier service, in which event delivery is deemed to have occurred on the next business day. Any notices sent by facsimile machine will not be treated as effective, although such deliveries are encouraged as a prelude to the formal notices required by this Section. The addresses for each party are as follows:

11.1 If to DGS:

Department of General Services  
Office of Real Estate  
Room 601  
300 W. Preston Street  
Baltimore, Maryland 21201  
Attn: Nelson E. Reichart, Assistant Secretary for Real Estate

With copies to:

Maryland Department of Transportation  
Office of Planning, MS 470  
7201 Corporate Center Drive  
P.O. Box 548  
Hanover Maryland 21076  
Attn: Director, Sam Minnette

11.2 If to STATE CENTER LLC:

c/o Struever Bros. Eccles & Rouse, Inc.  
1040 Hull Street  
Suite 200  
Baltimore, Maryland 21230  
Attn: Caroline G. Moore

With a copy to:

John P. Machen, Esq.  
DLA Piper US LLP  
6225 Smith Avenue  
Baltimore, Maryland 21209

**12. General:**

12.1 This MOU shall be interpreted and enforced according to the laws of the State of Maryland.

12.2 The failure of the DGS and/or MDOT, or SC to enforce any part of this MOU shall not be deemed as a waiver thereof.

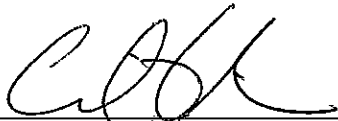
12.3 This MOU, including the Exhibits attached hereto, represents the complete understanding between the parties hereto as to the subject matter herein, and supersedes all prior written or oral negotiations, representations, warranties, statements or agreements between the parties hereto as to this MOU. Other than the State Center Response, no inducements, representations, understandings or agreements have been made or relied upon in the making of this MOU, except those specifically set forth in the provisions of this MOU. Neither party hereto has any right to rely on any other prior or contemporaneous representation made by anyone concerning this MOU which is not set forth herein.

12.4 This MOU may be executed in counterparts, all such executed counterparts shall constitute the same agreement, and the signature of any party to any counterpart shall be deemed a signature to, and may be appended to, any other counterpart.

*[Signature Page Follows]*

IN WITNESS WHEREOF, the parties hereto, by their duly authorized representatives, have executed this Memorandum of Understanding as of the latest date next to each signature below.

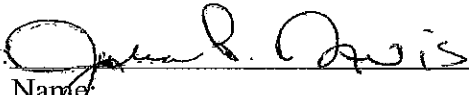
STATE CENTER LLC

By:  Date: 6/8/2007  
Name: Carlise Moore  
Title: COO Public/Private Partnerships

MARYLAND DEPARTMENT OF GENERAL SERVICES

By:  Date: 6/25/07  
Alvin C. Collins, Secretary

Approved as to form and legal sufficiency

By:  Date: 6-21-07  
Name: Gerald Davis  
Title: Assistant Attorney General