

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: 4 - 26 - 2011 Lease No. GS-11B-02264

THIS LEASE, made and entered into this date by and between Randolph Buildings I, LLC

whose address is: c/o A.R. Kronstadt Realty Investors, Inc.
11820 Parklawn Drive, Ste 404
Rockville, MD 20852

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 considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 48,235 BOMA Rentable Square Feet (BRSF) yielding 46,372 ANSI/BOMA Office Area square feet (ABOASF) and being located on the 1st Floor in the building known as Randolph Hills Industrial Park, located at 4930-4940 Boiling Brook Parkway, Rockville, MD 20852, to be used for SUCH GENERAL WAREHOUSE, OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT (See floor plans of leased premises included in Attachment A).


2. TO HAVE AND TO HOLD the said premises with their appurtenances for a 10 year firm term beginning on the Lease Commencement date determined in accordance with Section 5.15 "Construction Schedule and Acceptance of Tenant Improvements" of Solicitation for Offers (SFO) No. 9MD2177
3. The Government shall pay the Lessor annual rent of \$769,348.25 (\$15.95/BRSF, \$16.59/BOASF) at the rate of \$64,112.35 per month in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$72,834.85 (\$1.51/BRSF, \$1.57/BOASF). Utilities are separately metered as reflected in Attachment B of this lease (GSA Form 1217) and paid for directly by the tenant agency. A tenant improvement allowance amount of \$927,440.00 (\$1.92/BRSF, \$2.00/BOASF) is included in the annual rent. Ten (10) reserved parking spaces are included as part of the rental consideration at no additional cost to the Government. Rent checks shall be made payable to: Randolph Buildings I, LLC c/o A.R. Kronstadt Realty Investors, Inc. 11820 Parklawn Drive, Ste 404, Rockville, Maryland, 20852 or in accordance with the provision for electronic payment of funds.
4. Intentionally Deleted
5. Intentionally Deleted

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

- A. All services, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO, and its Attachments are included as a component of the rent.
- B. Demolition – In accordance with SFO Paragraph 1.14 "Building Shell Requirements", the Lessor shall remove existing abandoned electric, telephone and data cabling and devices as well as any other improvements or fixtures within the leased premises to accommodate the Government's design intent drawings. Any demolition of existing improvements that is necessary to satisfy the Government's layout shall be done at the Lessor's expense. Said demolition shall be limited to the office area and opening for Tenant's access purposes to connect office and warehouse areas. Any demolition shall be completed in accordance with all applicable laws.
- C. In accordance with SFO Paragraph 2.4 "Broker Commission and Commission Credit" of the Lease, Jones Lang LaSalle is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Jones Lang LaSalle have agreed to a cooperating lease commission of [REDACTED] of the lease value. The total amount of the commission is [REDACTED]. In accordance with the "Brokerage Commission and Commission Credit" paragraph, Jones Lang LaSalle 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] and shall be paid as free rent in the first three (3) months of the lease term. The Lessor agrees to pay Jones Lang LaSalle the Commission less the Commission Credit in the lump sum amount of [REDACTED] which shall be due to Jones Lang LaSalle upon execution of this lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of this Standard Form 2, rental payments due and owing under the lease shall be reduced in the first three (3) months of the lease term to recapture this Commission Credit. The credit for the 1st month is [REDACTED] and thus the total rent due for the 1st month shall be [REDACTED]. The credit for the 2nd month shall be [REDACTED] and thus the total rent due for the 2nd month shall be [REDACTED]. The credit for the 3rd month shall be [REDACTED], and thus the total rent due for the 3rd month shall be [REDACTED].

- D. The Lessor shall provide to the Government a Tenant Improvement Allowance of \$927,440.00 (\$20.00/ABOASF x 46,372/ABOASF). Such allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or offset the Government's rental obligation to the Lessor. This Tenant Improvement Allowance is included in the rent, with the \$2.00/ABOASF being amortized at a rate of 0% over the entire 10 year lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 3.2 "Tenant Improvements Included in Offer", Paragraph 3.3 "Tenant Improvement Rental Adjustment" and Paragraph 5.2 "Tenant Improvement Pricing Requirements."
- E. For purposes of Paragraph 4.2 of the SFO, as of the date hereof, the Government's percentage of occupancy is 22.66%, based upon occupancy of 48,235 BRSF in a building 212,966 BRSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 4.2 C and D of the SFO.
- F. In connection with the buildout of tenant improvements, the following limits on markups, fees and design costs shall apply. General Conditions shall be [REDACTED] the General Contractor's Fees shall be [REDACTED] and the Lessor's Project Management Fees shall be [REDACTED]. The A/E Fees shall be [REDACTED]. The combined total of the foregoing markups shall be [REDACTED]. These markups and fees are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.
- G. The Normal Hours of Operation shall be 7:00am to 6:00pm, and overtime services after these normal hours shall be provided by the Lessor at a rate of \$29.00 per hour for the 4,850 RSF Office Area. The foregoing overtime rates shall escalate in a manner consistent with Paragraph 4.3 of the SFO, "Operating Costs", and is inclusive of all labor, maintenance, service and engineering fees. Notwithstanding, the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than Normal Hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.
- H. In accordance with SFO Paragraph 4.4, the adjustment to the rent for space previously occupied by the Government and then vacated is \$0.00 per ABOA SF for a full floor.
- I. Upon notice from the Lessor, at the expiration of the lease term the Government shall be responsible for the removal


LESSOR GOVT
Page 2 of 3

of any special alterations, including any racking and equipment, added to the premises during the term of this Lease and restoration of the premises at the Government's sole cost and expense. This obligation does not include removal or demolition of the typical warehouse and office area improvements added as part of the initial space alterations.

J. In the event of a conflict between this SF-2 and any other documents that comprise the Lease, the SF-2 shall govern.

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

- A. Floor Plan for the Leased Premises (1 Page)
- B. Solicitation for Offers No. 9MD2177 dated January 19, 2010 (55 pages)
- C. GSA Form 1217 titled Lessor's Annual Cost Statement (1 page)
- D. GSA Form 3517 titled GENERAL CLAUSES (33 pages)
- E. GSA Form 3518 titled REPRESENTATIONS AND CERTIFICATIONS (7 pages)
- F. Pre-Lease Building Security Rider (1 page)
- G. Fire Protection & Life Safety Rider (1 page)
- H. GSA Form 3881 - EFT Form (1 Page)
- ~~I. Construction Schedule~~
- J. Rider No. 1. (3 pages)

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

LESSOR: RANDOLPH BUILDINGS I, LLC

BY: 

TITLE: MANAGING MEMBER

IN PRESENCE OF: 

ADDRESS: 11820 PARKLAWN DR #404
ROCKVILLE, MD 20852

UNITED STATES OF AMERICA

BY: 

CONTRACTING OFFICER, GSA, NCR

~~JIM PHELAN~~ Sgt. Godegesin