

**U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY**

DATE OF LEASE: OCT 10 2012

LEASE NO. GS-11B-12550

THIS LEASE, made and entered into this date by and between: **NAZARIO, LLC**

whose address is: 11405 Maryland Avenue  
Beltsville, Maryland 20705

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:  
A total of 116,987 BOMA Rentable Square Feet (BRSF) yielding approximately 116,987 ANSI/BOMA Office Area square feet (ABOA) of first floor/ground level office, warehouse and related space, as well as required site parking, at the building located at 6351 Ammendale Road, Beltsville, Maryland 20705-1249.
2. TO HAVE AND TO HOLD the said premises with their appurtenances for a TEN (10) YEAR firm term beginning on the lease commencement date of April 1, 2011 and shall continue through March 31, 2021, the date of lease expiration.
3. The Government shall pay the Lessor annual rent of \$1,000,238.88 (**\$8.5500003/BRSF**) payable at the rate of \$83,353.24 per month in arrears. Rent for a lesser period shall be prorated. Notwithstanding the foregoing, \$25,000.00 of the first month's rent shall be abated. In addition, the Government shall receive a commission credit in the amount of [REDACTED]. The total for the commission credit and the free rent credit shall be [REDACTED] as more fully set forth below in Paragraph 5 of this Standard Form 2. Rent checks shall be made payable to: c/o Nazario LLC, 11405 Maryland Avenue, Beltsville, Maryland 20705 or in accordance with the provision of an electronic payment of funds.
4. This lease may be renewed at the option of the Government for a period of five (5) years, to be exercised at the Government's discretion. In accordance with Paragraph 1.3 of SFO No. 0MD2164, the Lessor shall notify the Government's Contracting Officer in writing, not less than three hundred and sixty (360) calendar days prior to the date of lease expiration and no more than three hundred and sixty five (365) calendar days prior to same, of the option contained herein. Said notice shall be computed commencing with the day after the date of mailing. The Government shall pay rent in the amount of \$1,029,485.64 per annum (**\$8.8000003/BRSF**) payable at the rate of \$85,790.47 per month in arrears. Accumulated operating expense adjustments from the initial 10 year firm term shall be added to the Annual Rent for the renewal term. Rent shall continue to be adjusted for operating cost escalations and the Government shall continue to pay real estate tax adjustments as provided in SFO No. 0MD2164. All other terms and conditions of this lease shall remain the same during the renewal term.
5. The Lessor shall furnish to the Government, as part of the rental consideration, the following:  
All services, improvements, alterations, repairs, maintenance and utilities as defined by this lease.

**Tenant Improvement Allowance:** The annual rent set forth in Paragraph 3 of this Standard Form 2 is inclusive of a Lessor provided Tenant Improvement Allowance (TIA) in the amount of \$911,328.73 or \$7.79 per BRSF (\$7.79 /ABOA SF) amortized at a rate of 4% over the ten (10) year lease term equaling \$0.95 per BRSF (\$0.95/ABOA) per year. 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 to offset the Government's rental obligation to the Lessor. The actual cost of the Tenant Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 5.3 "Tenant Improvements Pricing Requirements of the SFO. All tenant improvements shall meet the requirements of the SFO.

**Commission And Commission Credit:** In accordance with SFO Paragraph 2.3, Broker Commission and Commission Credit, UGL Services Equis Operations Co. ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Due to the Commission Credit described in SFO Paragraph 2.3, only [REDACTED] of the Commission will be payable to UGL Services Equis Operations Co. with the remaining [REDACTED], which is the "Commission Credit", to be credited to the shell rent portion of the annual rental payments.

Notwithstanding Paragraph 3 of the Lease, the shell rental payment due and owing under this lease for the first month shall be reduced to fully recapture the Commission Credit of [REDACTED]. The reduction in shell rent shall commence with the first month of the rental payments and continue until credit has been fully recaptured in equal monthly installments over the shortest time period practicable as indicated in this schedule for adjusted Monthly Rent:

First Month's Gross Rental Payment of \$83,353.24 minus first month's abatement credit of \$25,000.00 and broker commission credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment shall commence in full.

\*NOTE: Commissions and/or credits are treated as confidential financial information and are not for public disclosure. The information is not for use for any other purpose than that which it is provided without consent of the GSA Lease Contracting Officer.

6. Paragraph 1.9.A the SFO is hereby deleted in its entirety. The Government currently occupies the Leased Premises.
7. 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.
8. The Leased Premises and the building are deemed to meet the requirements of Paragraph 1.11 & 1.12 of the SFO. During the course of the lease, should repairs be required to the Leased Premises, Lessor will be required to repair the space back to at a minimum the condition in which the space was accepted at the beginning of the lease, with exception of any new tenant improvements and new Fire & Life Safety modifications made for this lease. These tenant improvements will need to be repaired back to at a minimum the condition at which the Government accepts them as completed as a part of this lease.
9. Notwithstanding anything to the contrary contained in the SFO or elsewhere in the Lease, the Lease shall commence and rent shall begin accruing upon the Government's execution of the Lease.
10. Pursuant to Paragraph 4.2 of the SFO, the Government's Percentage of Occupancy is 39.8% for tax purposes only, as calculated: 116,987 BRSF/ 293,971 BRSF. The Tax Year for purposes of Paragraph 4.2 of the SFO shall be the 12-month period adopted by a Taxing Authority as its fiscal year for the purpose of assessing Real Estate Taxes on an annual basis.
11. Operating Cost: The operating cost base for annual operating costs adjustments is \$58,500.00 which shall be adjusted annually by the CPI in accordance with Paragraph 4.3 of the SFO.



12. In connection with the initial or subsequent build-out of Tenant Improvements, the following limits on markups, fees, and design costs shall apply: Lessor's overhead, profit, and other management fees shall be 5%, and General Conditions shall be 5%. These markups are all subject to the mutual agreement of the Government and Lessor to reasonably negotiate lower individual markups based upon the actual scope of work of the requirement. If Tenant Improvement Pricing exceeds \$7.79 ABOA then the parties shall negotiate fees applicable to such excess.
13. Paragraph 5.7 & 6.13 of the SFO is hereby deleted in its entirety.
14. If any work or service, including, but not limited to, any maintenance or repair, that the Lessor is required to perform under the SFO (including, but not limited to, those requirements under Paragraphs 7.11.B.2, 7.12.A.5, 7.12.B.3, 7.13.A.5, and 7.13.D.2) requires the moving, returning, replacing, assembly, or disassembly of the Government's racks, racking system, or any heavy equipment, then all such moving and returning or replacing shall be at the Government's sole cost and expense.
15. Notwithstanding anything to the contrary contained in Paragraph 8.2 of the SFO or elsewhere in the Lease, the Government may only request at Lessor's expense the report to be provide referenced in Paragraph 8.2 of the SFO one (1) time in any two (2) calendar year period. However, the Government may request the report referenced in Paragraph 8.2 at anytime at Government's expense
16. 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"
17. The following are attached and made a part hereof:
  - A. Rider 1 to Lease GS-11B-12550 (1 Page)
  - B. Solicitation for Offers # OMD2164 (52 Pages)
  - C. GSA Form 3517B, "General Clauses" version dated (06-08) (33 Pages)
  - D. GSA Form 3518, "Representations and Certifications" version dated (01/07) (7 Pages)
  - E. Floor Plan {Exhibit A} (1 Page)
  - F. Site Plan dated {Exhibit B} (1 Page)

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

NAZARIO, LLC

By: 

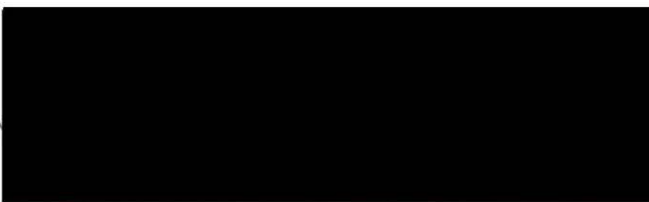
JOSEPH NAZARIO Member  
(Printed Name and Title)

Date: 10-1-12

IN THE PRESENCE OF: 

Date: 10-9-12

UNITED STATES OF AMERICA - GENERAL SERVICES ADMINISTRATION

By: 

Contracting Officer, GSA, NCR, Lease Executions  
(Official Title)

LESSOR  GOV'T 