LEASE NO. GS-11P-LMD12599

This Lease is made and entered into between

Saul Holdings Limited Partnership

(Lessor), whose principal place of business is 7501 Wisconsin Avenue, Suite 1500 East, Bethesda, MD 20814, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

209 Perry Parkway, Gaithersburg, MD 20877-2143

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning either upon April 30, 2013 or upon acceptance of the Premises as required by this Lease, whichever is later, and continuing for a period of

5 Years Firm with a 5 Year Option

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

			ed Partwiship r
Name: 👃	Pl	L	
	rewfive Vice Pr eal Estate	esident	Lease Contracting Officer
The			General Services Administration, Public Buildings Service
Date:	OCTOBER 1	2013	Date: NOVEMBER 6,2013

Name:	Amy E. Spencer	
	Assistant Secretary	
Title:		

Date: OCTOBER 1 2013

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

LESSOR:

GOVERNMENT: ____

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (JUN 2012)

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: 21,268 rentable square feet (RSF), yielding 21,268 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1st floor(s), of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. <u>Parking</u>: 3 parking spaces as depicted on the plan attached hereto as Exhibit **B**, reserved for the exclusive use of the Government, of which 3 shall be surface/outside parking spaces. In addition, Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Sub-paragraph intentionally deleted.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM ANNUAL RENT	NON FIRM TERM	
SHELL RENT ¹	\$410,047.04	\$450,881.60	
TENANT IMPROVEMENTS RENT	\$0.00	\$0.00	
OPERATING COSTS ²	\$69,942.51	\$69,942.51	
BUILDING SPECIFIC AMORTIZED CAPITAL	\$ 0.00	\$ 0.00	
PARKING	\$ 0.00	\$ 0.00	
TOTAL ANNUAL RENT	\$479,989.55	\$520,824.11	

²Shell rent (Firm Term) calculation: \$19.280 per RSF multiplied by 21,268 RSF ²Operating Costs rent calculation: \$3.288627 per RSF multiplied by 21,268 RSF

B. Sub-paragraph intentionally deleted.

- C. Sub-paragraph intentionally deleted.
- D. Sub-paragraph intentionally deleted.

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;

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___ GOVERNMENT LESSOR:

GSA FORM L202 (10/12)





3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. The Government shall be responsible for paying the cost of electric directly to the utility provider. The Lessor shall ensure that such utilities are separately metered. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall fumish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

Н. Sub-paragraph intentionally deleted.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

Α. DTZ America's Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is and is earned upon Lease execution, payable according to the Commission Agreement signed between the of the Commission, will be payable to DTZ Americas inc. with the remaining two parties. Only , which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall Β. be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$39,999.13 minus prorated Commission Credit of equals equals adjusted 1st Month's Rent.*

*Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 INTENTIONALLY DELETED

1.06 RENEWAL RIGHTS (AUG 2011)

This Lease may be renewed at the option of the Government for a term of **second** at the following rental rate(s):

	ANNUAL RENT	ANNUAL RATE / RSF	
SHELL RENTAL RATE			
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM YEAR SIX OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING		
	ANNUAL ADJUSTMENTS.		

provided notice is given to the Lessor at least 180 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (JUN 2012)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	Ехнівіт
FLOOR PLAN(S)		A
PARKING PLAN(S)		В
SECURITY REQUIREMENTS LEVEL 1	4	1
GSA FORM 3517B GENERAL CLAUSES	46	1
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	
SMALL BUSINESS SUBCONTRACTING PLAN	6	
AMENDMENTS I AND II TO RLP NO. 1MD2076	3	
LIGHTING REPLACEMENT	1	C

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEPT 2011)

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid anortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

GOVERNMENT LESSOR:

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INTENTIONALLY DELETED 1.09

INTENTIONALLY DELETED 1.10

PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012) 1.11

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 22.58 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 21,268 RSF by the total Building space of 94,204 RSF.

INTENTIONALLY DELETED 1.12

OPERATING COST BASE (AUG 2011) 1 13

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$3.29 per RSF (\$69,942.51/annum).

RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012) 1.14

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$0.00 per ABOA SF of Space vacated by the Government.

HOURLY OVERTIME HVAC RATES (AUG 2011) 1.15

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$0.00 per hour per zone
- Number of zones: 0
- \$0.00 per hour for the entire Space.

1.16 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$0.00 per ABOA SF. of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

BUILDING IMPROVEMENTS (SEP 2012) 1.17

The Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

A. Replace all existing light fixtures in the premises. All replacements must take place within 90 days of award.

GOVERNMENT LESSOR: