

**LEASE NO. GS-11P-LMD12606**

Succeeding/Superseding Lease  
GSA FORM L202 (6/12)

This Lease is made and entered into between

ARE - Maryland NO. 24, LLC, a Delaware limited liability company  
BY: ALEXANDRIA REAL ESTATE EQUITIES, L.P., a Delaware limited partnership, managing member  
BY: ARE-QRS CORP., a Maryland corporation, general partner

(Lessor), whose principal place of business is 385 E. Colorado Boulevard, Suite 299, Pasadena, CA 91104-6104, and whose interest in the Property described herein is that of 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  
**9800 Medical Center Drive, Rockville, MD 20878-6386**

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 a fifteen (15) year firm term commencing **October 1, 2013** and continuing through **September 30, 2028**,

subject to termination and renewal rights as may be hereinafter set forth. ~~The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.~~

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

**FOR THE LESSOR:**

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FOR THE GOVERNMENT:**

Robert Federico

Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 10/23/2013

**WITNESSED FOR THE LESSOR BY:**

Name: Nina Khiev

Title: Legal Records Administrator

Date: 09-20-13

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.

**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

**1.01 THE PREMISES (SUCCEEDING) (JUN 2012) – MODIFIED: SEE SECTION 7.04**

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:** 59,349 rentable square feet (RSF), yielding 45,708 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 1<sup>st</sup>, 2<sup>nd</sup>, and 3<sup>rd</sup> floor(s) of Building B and 3<sup>rd</sup> floor of Building C of the Buildings, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 1.29844 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

**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. **Parking:** 1 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 0 shall be structured/inside parking spaces, and 1 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 at no additional cost to the Government.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

**1.03 RENT AND OTHER CONSIDERATION (JUN 2012) – MODIFIED: SEE SECTION 7.04**

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

	FIRM TERM	NON-FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$2,115,198.36	\$XXX,XXX.XX
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$ 43,374.71	\$0
OPERATING COSTS <sup>3</sup>	\$ 639,782.22	\$XXX,XXX.XX
BUILDING SPECIFIC SECURITY <sup>4</sup>	\$ 0.00	\$XXX,XXX.XX
PARKING <sup>5</sup>	\$ 0.00	\$XXX,XXX.XX
<b>TOTAL ANNUAL RENT</b>	<b>\$2,798,355.29</b>	<b>\$XXX,XXX.XX</b>

<sup>1</sup>Shell rent (Firm Term) calculation: \$35.64 per RSF multiplied by 59,349 RSF  
<sup>2</sup>The Tenant Improvement Allowance of \$457,080.00 is amortized at a rate of 5.00 percent per annum over 15 years.  
<sup>3</sup>Operating Costs rent calculation: \$10.78 per RSF multiplied by 59,349 RSF  
<sup>4</sup>Building Specific Security Costs of \$0.00 are amortized at a rate of 0 percent per annum over 0 years  
<sup>5</sup>Parking costs described under sub-paragraph G below.

In instances where the Lessor amortizes either the TI or Building Specific Security for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 45,708 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. 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.

E. 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.

F. 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;
3. ~~Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities (with the exclusion of electric and laboratory cleaning), 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 XX 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 furnish 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.~~

G. Parking shall be provided at a rate of ~~XXX~~ per parking space per month (Structure), and \$0.00 per parking space per month (Surface).

**1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)**

A. Jones Lang LaSalle (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [redacted] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [redacted] of the Commission, will be payable to Jones Lang LaSalle with the remaining [redacted], 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.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall 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 8 Rental Payment \$233,196.27 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 8<sup>th</sup> Month's Rent.\*

Month 9 Rental Payment \$233,196.27 minus prorated Commission Credit of [redacted] equals [redacted] adjusted 9<sup>th</sup> Month's Rent.\*

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

**1.05 TERMINATION RIGHTS (AUG 2011) INTENTIONALLY DELETED**

~~The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than XX days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.~~

**1.06 RENEWAL RIGHTS (AUG 2011) INTENTIONALLY DELETED**

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

OPTION TERM, YEARS XX - XX		
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$XX	\$XX
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM YEAR XX OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

~~provided notice is given to the Lessor at least XX 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	EXHIBIT
FLOOR PLAN(S)	4	A
PARKING PLAN	1	B
FACILITY SECURITY LEVEL II REQUIREMENTS	6	<del>C</del>
GSA FORM 3517B GENERAL CLAUSES	46	<del>D</del>
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	<del>E</del>
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	1	<del>F</del>

**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 amortized 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.

**1.09 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)**

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 20.87 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 59,349 RSF by the total Building space of 284,367 RSF.

**1.10 ESTABLISHMENT OF TAX BASE (JUN 2012)**

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" shall be set in accordance with Section 2.07, Real Estate Tax Adjustment.

**1.11 OPERATING COST BASE (AUG 2011)**

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 \$10.78 per RSF (\$639,782.22/annum).

**1.12 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)**

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 \$1.75 per ABOA SF of Space vacated by the Government.

**1.13 HOURLY OVERTIME HVAC RATES (AUG 2011) INTENTIONALLY DELETED**

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

- ~~\$X.XX per hour per zone~~
- ~~Number of zones: X~~
- ~~\$X.XX per hour for the entire Space.~~

**1.14 24-HOUR HVAC REQUIREMENT (APR 2011) INTENTIONALLY DELETED**

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 \$X.XX 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.

**1.15 BUILDING IMPROVEMENTS (JUN 2012)**

The Lessor shall complete the following additional Building improvements within 120 calendar days of the Lease commencing:

- A. See the Facility Security Level II Requirements made a part of this Lease; shatter-resistant window protection is a tenant improvement cost.