

LEASE NO. GS-11P-LMD12629

**Succeeding/Superseding Lease
GSA FORM L202 (September 2013)**

This Lease is made and entered into between

Halcyon Associates

(Lessor), whose principal place of business is c/o Standard Properties, 5500 MacArthur Boulevard, NW, Washington, DC 20016, 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

5 Metropolitan Court, Suite 1, Galthersburg, Maryland 20878

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 August 4, 2013, and continuing for a period of

5 Years Firm,

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 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.

FOR THE LESSOR:



Name: David Psaltis

Title: Authorized Agent



Name: Cushing Vanier

Title: General Partner, Halcyon Associates

Date: 31 March 2014

WITN

FOR THE GOVERNMENT:



Lease Contracting Officer
General Services Administration, Public Buildings Service

Date: APR 28 2014

LESSOR:  GOVERNMENT: 

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (SUCCEEDING) (SEP 2013)

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:** 8,540 rentable square feet (RSF), yielding 8,200 ANSI/BOMA Office Area (ABOA) square feet (SF) of office, warehouse and related Space located on the 1st floor and known as Suite 1, of the Building, as depicted on the floor plan attached hereto as Exhibit A. The Premises shall include two drive-in loading docks, one measuring 8'0" wide by 8'0" tall and one measuring 8'6" wide by 9'0" tall, equipped with electronically operated bay doors.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 4 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 (SEP 2013)

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:** The Lessor shall provide such parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

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

	FIRM TERM
	ANNUAL RENT
SHELL RENT ¹	\$108,116.40
TENANT IMPROVEMENT RENT ²	\$4,584.00
OPERATING COSTS ²	\$ 35,096.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 1,800.00
TOTAL ANNUAL RENT	\$149,596.40

¹Shell rent calculation:
(Firm Term) \$12.66³ per RSF multiplied by 8,540 RSF
²The Tenant Improvement cost of \$22,920.00 is amortized at a rate of 0 percent per annum over 5 years.
³Operating Costs rent calculation: \$4.11⁵ per RSF multiplied by 8,540 RSF
⁴The Building Specific Amortized Capital (BSAC) of \$9,000.00 is amortized at a rate of 0 percent per annum over 5 years.
⁵Rates may be rounded

B. INTENTIONALLY DELETED

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. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

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), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

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.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the 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.

H. INTENTIONALLY DELETED

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. CBRE, INC. (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 CBRE, INC. 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 1 Rental Payment: \$12,466.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

Month 2 Rental Payment: \$12,466.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.*
*Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 TERMINATION RIGHTS (AUG 2014) INTENTIONALLY DELETED

1.06 RENEWAL RIGHTS (SEP 2013)

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

OPTION TERM, [REDACTED]	
	ANNUAL RENT ANNUAL RATE / RSF
SHELL RENTAL RATE	[REDACTED] [REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. 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 full force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

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

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN	1	A
SECURITY REQUIREMENTS – LEVEL II	4	B
SECURITY UNIT PRICE LIST	2	C
GSA FORM 3517B GENERAL CLAUSES	42	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	E
GSA FORM 1217, LESSOR'S ANNUAL COST STATEMENT	2	F

1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)

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 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2013) INTENTIONALLY DELETED

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013) INTENTIONALLY DELETED

1.11 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 39.73 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 8,540 RSF by the total Building space of 21,494 RSF.

1.12 REAL ESTATE TAX BASE (SEP 2013) INTENTIONALLY DELETED

1.13 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$4.11 per RSF (\$35,096.00/annum).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

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 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 \$3.37 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$0.00 per hour per zone
- Number of zones: 1
- \$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.

1.17 BUILDING IMPROVEMENTS (SEP 2012) INTENTIONALLY DELETED