

This Lease is made and entered into between

7799 Leesburg Pike, LLLP,

("the Lessor") whose principal place of business is 2000 Towers Oak Boulevard, Rockville, Maryland 20852-4882 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

Leesburg Pike, 7799 Leesburg Pike, Fairfax, Virginia 22043-2413

and more fully described in Section 1 and Exh bit 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 Five (5)-Year Firm term beginning on January 1, 2016 and continuing through December 31, 2020.

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:

7799 Leesburg Pike, LLLP
its general partner
Lerner Enterprises, LLC
By: Mark D Lerner

Name: Mark D. Lerner

Title: Manager

Entity Name: _____

Date: 3/23/16

WITNESSED FOR THE LESSOR BY:

Name: Elizabeth Chen

Title: _____

Date: 3/23/16

FOR THE GOVERNMENT:

Name: Marcia Parkes

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: _____

MAY 19 2016

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

Notwithstanding anything in this Lease to the contrary, the Government accepts the Premises and tenant improvements in their existing condition. The cost for all modifications to the Premises including demolition, Security and Green building requirements shall be paid by the Government except that the Lessor shall comply with all Fire Protection and Life Safety requirements, ABAAS requirements for the base building, as well as compliance with all local codes and ordinances. Such acceptance by the Government of the existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. Any changes to the current configuration and existing condition, changes to security or green building requirements, except as required in this Section, will be at the expense of the Government.

A. **Office and Related Space:** 105,997 rentable square feet (RSF), yielding 89,834 ANSI/BOMA office area (ABOA) square feet (SF) of office and related Space located on a portion of the 1st floor in Suite 101 (5,254/RSF 4,810/ABOA), and on the entire 2nd floor (15,510/RSF 13,004/ABOA), and the entire 3rd floor (17,772/RSF 15,077/ABOA), and the entire 5th floor (18,108/RSF 15,385/ABOA), and the entire 6th floor (18,108/RSF 15,385/ABOA), and a portion of the 8th floor Suite 801 (13,137/RSF 10,788/ABOA), and the entire 9th floor (18,108/RSF 15,385/ABOA) of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 1.179921 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:** No Parking spaces as depicted on the form 1364 (Proposal to Lease Space) attached hereto, reserved for the exclusive use of the Government. If required by the Government, the Lessor shall provide such parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property. (See Paragraph 1.03 H)

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 telecommunications equipment, the right to access the roof of the Building, and 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 CONSIDERATION (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	RENTAL RATE
SHELL RENT ¹	\$1,713,134.38	\$19.07
TENANT IMPROVEMENTS RENT ²	\$.00	\$.00
OPERATING COSTS ³	\$821,981.10	\$9.15
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$.00	\$.00
PARKING ⁵	\$.00	\$.00
TOTAL ANNUAL RENT	\$2,535,115.48	\$28.22

¹Shell rent (Firm Term) calculation: \$16.1621025123 per RSF (or \$19.07 per ABOA) multiplied by 105,997/ RSF
²Total Tenant Improvement Allowance is \$.00 per ABOA amortized at \$.00 per ABOA at zero percent per annum over 5 years.
³Operating Costs rent calculation: \$7.7547581535 per RSF (or \$9.15 per ABOA) multiplied by 105,997/ RSF. Operating costs include daytime cleaning.
⁴The total Building Specific Security Costs is \$.00 per ABOA amortized at \$.00 per RSF (or \$.00 per ABOA) at a rate of zero percent per annum over 5 years
⁵The Government shall pay the Lessor a one-time lump payment in the amount of \$10,000.00 to compensate the Lessor for 30 reserved parking spaces utilized by the Government from January 1, 2016 – through May 31, 2016.

In instances where the Lessor amortizes either the TI or BSAC 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 89,834 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517. Notwithstanding the foregoing, the Premises under this Lease has already been mutually measured and the measurement has been accepted by the Government.

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 is subject to adjustments 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.

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. The Government shall have the right to use 271 parking spaces. 66 of these spaces will be reserved at no cost to the Government. The Lessor has agreed to provide the 66 reserved spaces at no cost to the Government as consideration for the Government's release of any claims or demands against the Lessor arising under Lease GS-11B-01575 by virtue of the Government's provision of cleaning at any period during the Lease Term or any modification or change thereof. The Government may request additional reserved parking at a rate of \$75.00 per parking space per month (structured reserved), and \$50.00 per parking space per month (outside reserved) if such parking is available.

1.04 RENT CONCESSIONS (JUN 2012)

The Government shall be entitled to zero months of free rent in the amount of zero dollars to be applied against the monthly fully serviced rental payment until exhausted. The free rent shall commence with the first month of the Lease and continue until the free rent has been fully recaptured in equal monthly installments over the shortest time practicable.

1.05 TERMINATION RIGHTS (AUG 2014)

The Government may terminate this Lease on November 20, 2015, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 120 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 (SEP 2013) INTENTIONALLY DELETED

There is no renewal option for the Government for this lease.

	OPTION TERM, YEARS N/A	
	ANNUAL RENT	ANNUAL RATE / RSF
FULL SERVICE RENTAL RATE ¹	N/A	N/A
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

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(S)	7	A
SOLICITATION ATTACHMENT #1 – RATE STRUCTURE	1	B
SOLICITATION ATTACHMENT #2 – SCHEDULE	1	C
SOLICITATION ATTACHMENT #4 – PRE-LEASE FIRE PROTECTION AND LIFE SAFETY EVALUATION AND RIDER	15	D
GSA FORM 1217 – LESSOR'S ANNUAL COST STATEMENT	1	E
GSA FORM 3517B GENERAL CLAUSES	47	F
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	2	G
SMALL BUSINESS SUBCONTRACTING PLAN	12	H

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$00/ABOA. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This total amount of \$00 is amortized in the rent over the Firm Term of this Lease at an annual interest rate of zero percent (0%). Lessor agrees to make available an additional tenant improvement allowance of up to \$00/ABOA (for an aggregate amount of \$00/ABOA). The tenant improvement allowance is available solely for tenant improvements required by the Government for occupancy of the existing user. Upon completion of improvements in the Leased Premises by the Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a subsequent Lease Amendment (LA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is greater or less than the \$00 already included in the annual rent as set forth in Paragraph 1.03, then the rent shall be adjusted accordingly. Tenant improvements financed by the Lessor above the \$00 shall be amortized at zero percent (0%) annual interest. Notwithstanding any provisions of GSA Form L201C to the contrary, the Government shall not amortize more than \$00 (\$00/ABOA) in tenant improvements. No tenant improvements in excess of \$00/ABOA shall be funded by the Lessor. The Government reserves the right to convert any unused portion of the first \$00 of this allowance as a rental abatement (which shall be applied to the most current installments of rent then due until exhausted) or to reduce the annual rent as set forth in Paragraph 1.03; any such action thus taken shall be memorialized by LA along with the amortization payment amount and revised rent.

1.09 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term. There is no TIA under this Lease.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent 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 TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	10.00%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	8.00%

*Lessor's Project Management Fee includes General Contractor's overhead and profit, General contractor's general conditions, and Offeror's construction and management/coordination fees.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$00 per ABOA SF annually. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of zero percent.

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent.

1.13 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 55.65% percent. The Percentage of Occupancy is derived by dividing the total Government Space of 105,997 RSF by the total Building space of 190,446 RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, shall be as defined in the "Real Estate Tax Adjustment" paragraph of the Lease. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.15 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 \$9.15 per ABOA (or \$7.7547581535 per RSF) or \$821,981.10/annum for the entire premises.

1.16 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 \$.75 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$ 50.00 per hour per floor

1.18 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 areas shall be separately metered and the Government will be billed quarterly. 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.

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- A. Fire & Life Safety: Lessor shall, at Lessor's sole cost and expense, perform all fire and life safety upgrades outlined in the attached Exhibit E, Fire and Life Safety Rider Number One prior to Governments acceptance of the space.

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.