

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

8/10/2011

LEASE NO.

GS-03B-11349

THIS LEASE, made and entered into this date by and between TYE 04/18 THE NEST INC

whose address is 6349 Basket Switch Road
Newark, MD 21841-2205

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:

8,050 rentable square feet of office and related space, which yields 6,588 ANSI/BOMA Office Area square feet of space and an additional 503 rentable square feet (yielding 412 ANSI/BOMA Office Area SF of free space), for which the Government will not be charged rent, including real estate taxes and operating cost escalations in excess of the total 8,050 rentable/6,588 ANSI/BOMA square footage indicated above, for a total of 8,553 rentable square feet (yielding 7,000 ABOA square feet) under lease, on the First Floor, at the Blackwater Center, 828 Airpax Road, Cambridge, MD 21613-6401 together with six (6) surface parking spaces to be used for such purposes as determined by the General Services Administration

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 13 through See Lease Rider Paragraph 13, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ See Lease Rider Paragraph 13 at the rate of See Lease Rider Paragraph 13 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

The Nest Inc.
6349 Basket Switch Road
Newark, MD 21841-2205

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) full year of occupancy by giving at least ninety (90) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~{Number of Options} {Option Term} year period(s) at the annual rental of \$ _____ (\$ _____ per ABOA square foot), plus accrued operating cost escalations provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.

B. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] percent of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture 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:

First Month's Rental Payment of \$16,730.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.*

Second Month's Rental Payment 16,730.32 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent*

Third Month's Rental Payment 16,730.32 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Third Month's Rent*

Fourth Month's Rental Payment shall commence in full.

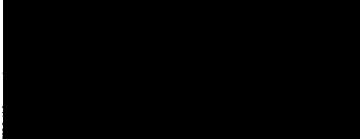


*subject to adjustment upon determination of actual TI expenditure

7. The following are attached and made a part hereof:
- A. Rider to Lease GS-03B-11349 (Pages 3-5)
 - B. Solicitation for Offers # 9MD2245 dated 2/4/2011 (Pages 6-69)
 - C. SFO Amendment #1 dated 3/1/2011 (Page 70)
 - D. SFO Amendment #2 dated 3/11/2011 (Page 71)
 - E. GSA Form 3517B, "General Clauses" version dated 11/05 (Pages 72-104)
 - F. GSA Form 3518, "Representations and Certifications" version dated 1/07 (Pages 105-111)
 - G. Exhibit A - Floor Plans (Pages 112-113)

8. The following changes were made in this lease prior to its execution:
n/a

This lease contains 113 pages

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

 v. / res.	<hr/> <p>(Signature)</p>	
IN PR	 <hr/> <p>6349 Basket Switch Rd Newark, and 21841 (Address)</p>	
UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE		
B	 <hr/> <p>(Signature)</p>	<hr/> <p>Cathleen Ryer, Contracting Officer (Official title)</p>



9. 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.



10. The total percentage of space occupied by the Government under the terms of the lease is equal to 65.3% percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 6,588 ANSI/BOMA Office Area square feet by the total building space of 10,090 ANSI/BOMA Office Area square feet.

11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$6.83 per rentable square foot, is acceptable. This figure includes the Government's pro-rata share of operating costs.

12. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the lessor shall notify the Contracting Officer, in writing, at least thirty (30) calendar days and no more than sixty (60) calendar days prior to the time the option must be exercised. In the event the lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

13. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within ninety (90) calendar days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for ten (10) consecutive

Lessor  Government 

calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 5:

Shell Rent: \$83,009.81 per year or \$10.31 per Rentable Square Foot,

Amortized annual cost for Tenant Improvement Allowance*:
\$59,606.58 per year,

Interest rate at which Tenant Alterations are amortized: six (6.00%) percent

Amortized annual cost for Building Specific Security: \$3,157.20 per year

Interest rate at which Building Specific Security is amortized: six (6.00%) percent

Annual Cost of Services: \$54,990.19 per year or \$6.83 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3, "Operating Costs"

Parking: Six (6) reserved parking spaces shall be provided at no additional cost to the Government.

Years 6 through 10:

Shell Rent \$83,009.81 per year or \$10.31 per Rentable Square Foot,

Annual Cost of Services: \$54,990.19 per year or \$6.83 per Rentable Square Foot, plus accrued escalations per Paragraph 4.3, "Operating Costs"

Parking: Six (6) reserved parking spaces shall be provided at no additional cost to the Government.

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$256,932.00 or \$39.00 per ANSI/BOMA Office Area Square Foot, which is included in the rent,

Lessor  Government 

RIDER TO LEASE GS-03B-11349

using the six (6%) percent amortization rate over the firm term of five (5) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the six (6%) percent amortization rate.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.


All rights, responsibilities, and obligations that bind the Lessor and Government under this lease agreement, including the General Clauses, and any other attachments hereto, shall pertain to the entire space under lease, including the free space.

14. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.1, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is provided at no additional cost to the Government (0%).

15. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is zero (\$0.00) dollars per hour.

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"

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