

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: DEC 28 2011

LEASE No. GS-11B-12506 "neg"

THIS LEASE, made and entered into this date between CESC Mall L.L.C., whose address is:

c/o Vornado/Charles E. Smith L.P.
2345 Crystal Drive, Suite 1000
Arlington, Virginia 22202-4801

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 considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 25,849 Rentable Square Feet (BRSF) equivalent to 22,086 ANSI/BOMA Office Area Square Feet (ABOA) of office and related space, consisting of the entire second (2nd) floor, hereinafter referred to as the "Leased Premises", as shown in the floor plan attached as Exhibit A and made part hereof, as well as nine (9) reserved parking spaces on-site for Official Government Vehicles at no additional cost to the Government, in the building known as 1901 South Bell Street and located at 1901 South Bell Street, Arlington, Virginia 22202-4511.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a TEN (10) YEAR firm term commencing in accordance with Paragraph 5.11 of Solicitation for Offers 9VA2401. The parties will execute a supplemental lease agreement (SLA) after the commencement date to memorialize the commencement and expiration dates of the lease term.

3. The Government shall pay the Lessor annual rent of \$1,146,925.98 (\$51.93 per ABOA) at the rate of \$95,577.17 per month in arrears. The annual rent shall include the operating expense and real estate tax base and shall be subject to operating expense and real estate tax adjustments during the lease term as per the attached SFO. Rent checks shall be made payable to: CESC Mall, L.L.C, c/o Vornado/Charles E. Smith L.P., P.O. Box 642006 Pittsburgh, PA 15264-2006.

Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of [REDACTED] resulting from the Commission Credit, applied through the partial abatement of the monthly shell rent. Pursuant to paragraph 6(F) below, during the first and second full months of the lease term, the Commission Credit shall be in the amount of [REDACTED] and [REDACTED] respectively, as more fully set forth in paragraph 6(F) below.

4. (Intentionally deleted)

5. (Intentionally deleted)

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

A. All services, improvements, alterations, repairs, and utilities as defined by this lease.

B. The annual rent set forth in Paragraph 3 of this Standard Form 2 includes a \$42.08 per ABOA Tenant Improvement allowance amortized at 0% over the firm term. The total amount of the Tenant Improvement allowance is \$929,378.88. The Government shall be entitled to utilize the Tenant Improvement allowance to pay for any improvements performed by the Lessor at the Government's expense. The Government reserves the right to convert any unused portion of this allowance into additional rental abatement which shall be add to the rent abatement amount contained in Paragraph 3 above.

C. Pursuant to Paragraph 3.2.(B) of the SFO, Tenant Improvement work associated with the Government's initial space alterations will include the markups and fees. The following limits on markups, fees design costs shall apply, and shall be calculated as a percentage of the cost of the Government's improvements, regardless as to whether the improvements are paid lump sum by the Government or financed by the Lessor: (i) for standard office build out, the general contractor's total fees for overhead and profit shall not exceed 5% and the general contractor's fees for general conditions shall not exceed 5%; (ii) for standard office build out, the Lessor's total construction management and coordination fees shall not exceed 5%. Markup and fees for change orders and alterations after

occupancy shall remain the same or be negotiated based on Lessor involvement. Construction Permits are not subject to any markup and/or fees. For purposes of the design and construction of the Government's initial space alterations prior to occupancy, the Government, as specified in SFO paragraph 5.11(B), shall be responsible, at its expense, in all respects for preparation and timely delivery of the Design Intent Drawings (DIDs) to the Lessor in accordance with a design and construction schedule, mutually acceptable to Lessor and the Government, that reflects a September 1, 2012, occupancy date. Pursuant to SFO Paragraph 5.11(C), the Government shall be responsible for the cost to prepare Working Construction Drawings which shall be paid for out of the Government's Tenant Improvement allowance. The Government shall be responsible for all architectural and engineering costs, if any, for any construction of Government improvements performed after substantial completion of the Leased Premises.

- D. Pursuant to Paragraph 4.2 of the SFO, the Government's percentage of occupancy is 9.33% for tax purposes, as calculated: 25,849 BRSF/277,056 BRSF.
- E. Pursuant to Paragraph 4.3 of the SFO, the base rate for annual operating costs adjustments is \$187,951.86 (\$8.51 per ABOA) which shall be adjusted annually by the CPI.
- F. Pursuant to Paragraph 2.6 of the SFO, Jones Lang LaSalle is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Jones Lang LaSalle have agreed to a cooperating lease commission of [REDACTED] for the ten (10) year lease term. The total amount of the commission is [REDACTED] ("Total Gross Broker's Commission"). Jones Lang LaSalle 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 Total Gross Broker's Commission minus the Commission Credit equals the "Remaining Broker's Commission" due to Jones Lang LaSalle in the amount of [REDACTED]. The remaining Brokers Commission shall be paid by the Lessor to Jones Lang LaSalle via the terms of a separate Broker Commission Agreement negotiated between the Lessor and Jones Lang LaSalle, and included as an attachment to this lease.

Pursuant to paragraph 3 of this Standard Form 2 above, the shell rent payments due and owing under this lease shall be reduced to fully capture the Commission Credit. The Commission Credit shall be split between the first (1st) and second (2nd) months rental payments as detailed below. The reduction in shell rent shall commence with the first (1st) month of rental payments and continue as indicated below for adjusted Monthly Rent:

- Month 1 base rental payment \$95,577.17 (\$51.93 ABOA) minus the first half of the commission credit of [REDACTED] equals the rent for Month 1 in the amount of [REDACTED].
- Month 2 base rental payment \$95,577.17 (\$51.93 ABOA) minus the second half of the commission credit of [REDACTED] equals the rent for Month 2 in the amount of [REDACTED].

The Remaining Broker's Commission is payable to:
Jones Lang LaSalle Americas, Inc.
Public Institutions
33832 Treasury Center
Chicago, IL 60694-3400
Tax ID: [REDACTED]

- G. Pursuant to Paragraph 4.1 of the SFO, the "Common Area Factor" is calculated to be 1.170379426, as calculated: 25,849 BRSF/22,086 ABOA.
- H. In the event the Government vacates the entire leased premises, the rent for such space shall be adjusted downward by \$1.50 per ABOA in accordance with SFO Paragraph 4.4. The Government shall provide at least thirty (30) days advance written notice to the Lessor of its intent to vacate and/or reoccupy any portions of space subject to the adjustment of vacant premises. The Government's right to recapture vacant space credits beyond eighteen (18) months shall be limited to the costs for janitorial services as evidenced by Lessor's contract for janitorial service to the demised premises.
- I. All janitorial services outlined in paragraph 4.8 of the SFO, shall be performed between the hours of 7:30 AM and 3:30 PM as defined in Paragraph 4.8.A of the SFO, at no additional cost to the Government.
- J. All work must be completed by the Lessor in accordance with the design and construction schedule as described in Section 5.11 of the SFO. Should either the Government or the Lessor fail to discharge their responsibilities as defined herein within the time allocated under the agreed upon construction schedule, such failure will constitute "Delay", unless it is excusable delay. Delay caused by either party may be offset by the early completion of that party's other responsibilities within the schedule. The Lessor shall have no obligation to make up for any delay by

the Government in delivering the DIDs to the Lessor in accordance with the construction schedule and any other delay by the Government in completing any other Government task in accordance with the construction schedule, and the Lessor shall not be penalized for failure to substantially complete its work on the Leased Premises in sufficient time to permit Government occupancy of the Leased Premises by September 1, 2012, if such delay was caused by Government Delay. The absolute value of the number of days of one party's Delay minus the number of days of the remaining party's Delays shall equal the total number of days of Delay for a given stage of the schedule. Delay in substantial completion shall then be attributable to the party having caused the greatest number of days of Delay and shall be termed either "Government Delay" or "Lessor Delay" as appropriate. If Government Delay occurs, then the rent commencement date shall be the same number of days earlier than the acceptance as the number of days of Government Delay, but in no event shall the rent commencement date be prior to September 1, 2012. Delays caused by the failure of Lessor to receive long-lead items requested by the Government shall be considered excusable delay provided that the Lessor has ordered such items in a timely manner and Lessor's work on the Leased Premises shall be deemed substantially complete even if such long-lead items have not been installed by the date the remainder of Landlord's work is substantially complete, provided such long-lead items were ordered in a timely manner. The Lessor, if requested by the Government, must provide necessary documentation related to purchase of long-lead items. Any rent paid by the Government prior to actual occupancy shall be adjusted downward by \$1.50/ABOA in accordance with Paragraph 4.4 of the SFO. Delays by Arlington County in issuance of a building permit after Lessor has applied for a permit with all due diligence and delays by county inspectors in completing inspections necessary to issue the Certificate of Occupancy for the building will be considered excusable Delay.

- K. The Leased Premises are being designed and constructed concurrently with additional premises in the building leased by Lessor to the Government pursuant to GS-11B-12505 "neg". The Leased Premises and such additional premises are to be constructed at the same time by the same general contractor. Any delay by the Government in completing any Government task in accordance with the approved schedule for such additional premises shall be deemed a Government Delay in the construction of the Leased Premises.
- L. Annual real estate tax escalations shall be paid in accordance with Paragraph 4.2 of the SFO.
- M. Normal building hours shall be provided daily, extending 7:00 a.m. to 6:00 p.m. except Saturdays, Sundays, and federal holidays. Pursuant to SFO paragraph 4.6, and notwithstanding anything in the SFO or the attachments thereto to the contrary, the rate for overtime HVAC services shall be \$110.00/hour for the first (1st) lease year for the entire Leased Premises. Beginning in the second (2nd) year of the lease, and continuing ever year thereafter, the cost for overtime HVAC services shall be negotiated. The Government reserves the right to require the Lessor to provide documentation to confirm that the overtime HVAC rate reflects the actual costs incurred by the Lessor. If the overtime HVAC rates do not reflect the actual costs incurred by the Lessor, the Lessor and Government agree to re-negotiate the rate which will be reflected in a Supplemental Lease Agreement.
- N. The Lessor, at its sole cost, shall complete all of correction items outlined in the Final Fire Protection and Life Safety Report, attached hereto Rider #1.
- O. Pursuant to paragraph 1.1(B) of the SFO, the nine (9) structured secured, reserved parking spaces discussed in Paragraph 1 of this Standard Form 2 shall be at no additional charge to the Government. For the first (1st) year of the lease only, the cost for any unreserved monthly parking permits available for purchase by Government employees working at the Leased Premises shall be \$165.00 per permit per month. Beginning in the second (2nd) year of the lease, and continuing every year thereafter, the cost for monthly unreserved parking permits available for purchase by such Government employees shall adjust to market.
- P. If there is any conflict between this SF-2 and the balance of the Lease, the terms specified in this SF-2 shall govern.
- Q. Notwithstanding anything to the contrary, the Lessor shall not be obligated to commence creation of Working Construction Drawings, until the Government fully executes lease number GS-11B-12505 "neg".

6. The following are attached and made a part hereof:

- A) Exhibit A – Floor plan of leased premises, 1 page
- B) Solicitation For Offers No. 9VA2401, 55 pages
- C) Rider #1 – Fire and Life Safety, 1 page
- D) Rider #2 , 1 page
- E) Pre-Lease Security Plan, 7 pages
- F) Final Fire Protection and Life Safety Report, SFO Attachment #4, 19 pages
- G) GSA Form 1217 - Lessor's Annual Cost Statement, 1 page
- H) GSA Form 3517B – General Clauses, 33 pages
- I) GSA Form 3518 – Representations and Certifications; 7 pages
- J) Small Business Subcontracting Plan, 13 pages
- K) Broker Commission Agreement, 3 pages
- L) Seismic Certification, 1 page

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

By: C

[Redacted Signature]

Mitc

President

2345 Crystal Drive, Suite 1000
Arlington, VA 22202

Date:

11-23-11

[Redacted Signature]

IN PRESENC

[Redacted Signature]

2345 Crystal Drive, Ste 1000
Arlington, VA 22202

(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION

[Redacted Signature]

Contracting Officer