

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 2
LEASE AMENDMENT ADDRESS OF PREMISES 1215 SOUTH CLARK STREET ARLINGTON, VA 22202-4387	TO LEASE NO. GS-11P-LVA12678 PDN Number: N/A

THIS AMENDMENT is made and entered into between: **CESC GATEWAY SQUARE, LLC**
 whose address is: c/o Vornado/Charles E. Smith L.P.
 2345 Crystal Drive, Suite 1100
 Arlington, VA 22202-4801

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, on February 9, 2015, the parties entered into Lease No. GS-11P-LVA12678 and subsequently entered into LA No. 1 on June 1, 2016 (collectively, the "Lease");

WHEREAS, the design and build out of the leased space has been completed by the Lessor and accepted by the Government;

WHEREAS, the parties have not previously established the Lease Commencement Date (as defined in the Lease and as herein referred to as the "LCD") and have not memorialized the LCD in a lease amendment ("LA") as required by the Lease; and

WHEREAS, the parties have now agreed to establish June 16, 2016 as the LCD for the Lease and to memorialize this date in an LA, and to waive any and all claims with respect to the establishment of the LCD or claims of delay in the delivery or acceptance of the space.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, covenant and agree that the said Lease is amended, effective upon execution by the Government, as follows:

- A. This LA hereby establishes **June 16, 2016** as the LCD of the Lease for 332,964 rentable square feet (RSF) of space (288,382 ABOA SF) and 118 structures parking spaces. Accordingly, this lease will expire on **June 15, 2031**. The annual rent for the space shall be **\$10,654,848.00**, payable at the rate of **\$887,904.00** per month in arrears set forth in Paragraph 1.03 A of the Lease, **RENT AND OTHER CONSIDERATIONS**.

This Lease Amendment contains 2 pages.

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

FOR THE GOVERNMENT:

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Entity Name: _____

Lease Contracting Officer

Date: _____

GSA, Public Buildings Service,

Date: _____

MAR 30 2017

WITNESSED FOR THE LESSOR BY:

Signature: _____

Name: _____

Title: _____

Date: _____

Claire Foltz

Executive Assistant

2/21/17

- B. The annual rent for the first 12 months of the Lease (June 16, 2016 – June 15, 2017) in the amount of \$10,654,848.00 shall be abated in its entirety pursuant to Paragraph 1.03 B of the Lease.
- C. The Government is entitled to a Commission Credit in the amount of [REDACTED] to be credited to the shell rental portion of the annual rental payments due pursuant to Paragraph 1.04 A of the Lease, **BROKER COMMISSION AND COMMISSION CREDIT**. The Commission Credit of [REDACTED] will be applied against the shell rent in month 13 and a Commission Credit in the amount of [REDACTED] will be applied against the shell rent in month 14 pursuant to Paragraph 1.04 B of the Lease.
- D. The annual rent includes a tenant improvement allowance of **\$79.10 per ABOA SF (\$22,811,016.20)** amortized over the 15 year firm term of this lease at a rate of 0% pursuant to Paragraph 1.08 of the Lease, **TENANT IMPROVEMENT ALLOWANCE**. The Lessor and Government are in the process of determining the total amount of the TIA that was utilized by the Government pending completion of outstanding change orders. Upon completion of the reconciliation a subsequent LA will be issued to memorialize the total TIA utilized and to adjust the annual rent in accordance with Paragraph 1.09 of the Lease, **TENANT IMPROVEMENT RENTAL ADJUSTMENT**.
- E. The annual rent includes Building Specific Amortized Capital (BSAC) of **\$35.00 per ABOA SF** in the amount **\$10,093,370.00** amortized over the 15 year firm term at a rate of 0% pursuant to Paragraph 1.11 of the Lease, **BUILDING SPECIFIC AMORTIZED CAPITAL**. The Lessor and Government are in the process of determining the total amount of the BSAC that was utilized by the Government pending completion of outstanding change orders. Upon completion of the reconciliation a subsequent LA will be issued to memorialize the total BSAC utilized and to adjust the annual rent in accordance with Paragraph 1.12 of the Lease, **BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT**.
- F. Pursuant to Paragraph 7.02 of the Lease, **UNRESTRICTED CASH ALLOWANCE**, the Lessor has provided the Government with an Up-Front Cash Allowance of **\$18,450,645.00**. The Lessor and Government are in the process of determining the total amount of the up-front cash allowance that was utilized by the Government pending completion of outstanding change orders. Upon completion of the reconciliation a subsequent LA will be issued to memorialize the total cash allowance utilized.
- G. As set forth in Paragraph 1.13 of the Lease, **PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT**, the Government's Percentage of Occupancy as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **97.51 percent** (total Government leased space of 332,964 RSF divided by total Building space of 341,470 RSF).
- H. As set forth in Paragraph 1.15 of the Lease, **OPERATING COST BASE**, the Lessor's base rate for operating costs shall be **\$2,103,629.05** per annum.
- I. Lessor and the Government each hereby waive and release any and all claims arising under or related to the establishment of the LCD and claims of Government and/or Lessor Delay in connection with the delivery and acceptance of the space.

End of Lease Amendment

INITIALS:

LESSOR

&

GOV'T