

DATE OF LEASE: MAR 22 2010

LEASE #GS-11B-02177

THIS LEASE, made and entered into this date between: CESC Park Two L.L.C.

Whose address is: 2345 Crystal Drive
Suite 1000
Arlington, VA 22202

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 approximately 66,261 ANSI BOMA Rentable Square Feet (BRSF), being 54,487 ANSI BOMA Office Area Square Feet (BOASF), consisting of 19,029 BRSF (15,552 BOASF) on the 5th floor; 23,060 BRSF (19,061 BOASF) on the 6th floor; and 24,172 BRSF (19,874 BOASF) on the 8th floor in known as 2121 Crystal Drive, located at 2121 Crystal Drive, Arlington, VA 22202, as cross hatched on the attached floor plan and made a part hereof.

To be used for office and related purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the five (5) YEAR FIRM term beginning on the commencement date determined in accordance with section 3.17 "Construction Schedule of Tenant Improvements" of the SFO, and ending five (5) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay the Lessor an annual rent of \$2,644,798.98 (\$48.54 / BOASF [\$47.86 + \$0.68 daytime cleaning premium]) at the rate of \$220,399.92 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$399,389.71 (\$7.33 / BOASF), base real estate taxes, and \$217,948.00 to amortize a tenant improvement allowance of \$1,089,740.00 (\$20.00 / BOASF) at zero percent (0%) annual interest. The operating cost base includes the daytime cleaning premium of \$0.68 / BOASF. The Government shall be entitled to a rent credit in the amount of \$1,032,525.93 to be applied against the monthly fully serviced rental payment until exhausted. Rent checks shall be payable to CESC Park Two L.L.C., at the address shown below:

CESC Park Two, L.L.C.
c/o Vornado/Charles E. Smith L.P.
P.O. Box 642006
Pittsburgh, PA 15264-2006

4. ~~The government may terminate this lease at any time by giving at least _____ 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 term and at the following rental:~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
EXCEPT AS SET FORTH BELOW OR ELSEWHERE IN THIS LEASE, ALL SERVICES, IMPROVEMENTS, ALTERATIONS, REPAIRS, AND UTILITIES AS DEFINED BY THIS LEASE. THIS LEASE IS FULL SERVICE.

a) The lessor shall correct all deficiencies and comply with all recommendations and findings of Attachment #4, Fire Protection & Life Safety Evaluation report prepared by a Certified Fire Protection Engineer. Said report identified that the existing building fire alarm system shall become 25 years of age in 2011 and pursuant to SFO Paragraph 8.4(a), it is a standard requirement to replace such system after 25 years. However, pursuant to the evaluation by the Certified Fire Protection Engineer, it has been determined that the existing system is in stable and serviceable condition and provided proper maintenance and support to the system continues, it is deemed adequate for this requirement. Therefore, pursuant to the recommendations of the SFO Attachment #4, Fire & Life Safety Evaluation Report, the Government shall not require the Lessor to install a new voice fire alarm system as stated in paragraph 8.4(a) of the SFO; but, shall require that the lessor otherwise comply with all recommended upgrades and corrections as outlined in items #1 through #5 of Rider #1 which includes replacing all fire alarm control panel equipment over 25 years of age in calendar year 2011. The Lessor shall be responsible for ensuring that the system is operable and in good repair throughout the terms of the Government's lease. The lessor shall comply with all other requirements of SFO, Paragraph 8.4. If there is any conflict between this SF2 and the balance of the Lease, the terms specified in this SF2 shall govern.

b) Tenant Improvements: The cost of improvements, if any, shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent (if applicable). In the event that the total cost of tenant

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improvements is greater or less than \$20 /BOASF, the rent shall be adjusted accordingly. In the event that the total cost of the tenant improvements is less than \$20/BOASF, the rent shall be reduced accordingly. Tenant improvements financed by the Lessor above the initial \$20.00 per BOASF shall be amortized at the annual interest rate of 10 percent (10%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$2,292,812.96 (\$42.08 /BOASF) in tenant improvements. Any tenant improvements funded by the Lessor in excess of this amount shall be repaid by the Government via lump sum payment.

- c) The Government's percentage of occupancy for real estate tax purposes shall be 13.13%, based on 66,261 RSF / 504,471 RSF, subject to confirmation of the total rentable area of the entire building.
- d) In the event that the Lessor performs tenant improvements in the leased premises at the Government's direction, the Lessor shall be entitled to fees as set forth in this paragraph. The general contractor's total fees for overhead and profit shall not exceed 6% and the general contractor's fees for general conditions shall not exceed 3%. The Lessor's total construction management & coordination fees for the Tenant Improvements for the Government's space shall not exceed 3% and architecture & engineering fees, if any, shall not exceed \$4.86/BOASF. Any such fees will be paid for out of the T/I Allowance.
- e) The HVAC overtime rate shall reflect the Lessor's actual cost of providing overtime HVAC services and shall not exceed \$50/hour for the first 100 cumulative hours of overtime HVAC usage. Thereafter, the HVAC overtime rate shall be the Lessor's actual cost of providing this service and shall not exceed \$80.27 / hour, which \$80.27 cap rate shall be adjusted annually for changes in the Consumer Price Index (CPI). The overtime HVAC rate does not include the cost of engineer services or a maintenance mechanic and the foregoing rate does not include the services of an engineer or maintenance mechanic during such overtime hours, as the system is designed to operate without such personnel. In the event that an engineer or maintenance mechanic is requested by the tenant, the rate for said services shall be negotiated. If requested by the Government, the Lessor shall provide documentation, including but not limited to, an inventory of equipment operated, past utility bills and other pertinent information as requested, in support of the HVAC overtime rate.
- f) The Lessor shall cause all cleaning within the Government's demised area to be performed between the hours of 8:30 a.m. and 4:30 p.m., Monday through Friday.
- g) The Lessor shall not be required to pay any cooperating brokerage commission to the Government, or any broker acting on behalf of the Government, in connection with this lease.
- h) In the event of a discrepancy between the terms of this SF-2 and the SFO and its attachments, the terms of this SF-2 shall control.
- i) The Premises will be used for offices and for no other purpose and shall not be used for any walk-in public and/or customer service facility.
- j) The Government's end users shall have the right to acquire up to 54 parking permits in association with this lease. Parking permits shall be acquired via separate service contract between the Government's end users and the Lessor's parking contractor. For the initial term only, the monthly rates for such permits shall be \$395 per parking permit for reserved spaces and \$197 per parking permit for non-reserved parking. All sums due and payable for parking pursuant to this lease shall be paid directly to the Lessor's parking vendor by the Government's end users through separate service contracts with the parking vendor.
7. The following are attached and made a part hereof:
1. Solicitation For Offers (SFO) # 07-016, 48 pages
 2. Solicitation Attachment #1, Rate Structure, 1 page
 3. Solicitation Attachment #2, Construction Schedule, Below 92,000 BOMA OASF, 1 page
 4. Solicitation Attachment #3, Scope of Work for DID's and Construction Schedule Tasks, 2 pages
 5. Solicitation Attachment #4, Fire and Life Safety Report, 19 pages
 6. Small Business Subcontracting Plan, 13 pages
 7. GSA Form 1217, Lessor's Annual Cost Statement, 1 page
 8. GSA Form 3517, General Clauses, 32 pages
 9. GSA Form 3518, Representations and Certifications, 7 pages
 10. Floor Plans of Leased Area, 3 pages
 11. Rider #1 - Fire & Life Safety, 1 page
 12. Rider #2 - Security Requirements, 1 page

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

LESSOR: CESC PARK TWO L.L.C.

BY


Mitchell N. Schear

TITLE: Executive Vice President

DATE:

02/08/10

IN PRESENCE OF


Michael M. Coleman

ADDRESS: 2345 Crystal Drive, Suite 1000, Arlington, VA 22202

UNITED STATES OF AMERICA

BY



CONTRACTING OFFICER, GSA, NCR

