

This Lease is made and entered into between

**Lessor's Name** WASHINGTON OFFICE CENTER L.L.C.

("the Lessor"), whose principal place of business is C/O VORNADO/CHARLES E. SMITH L.P., 2345 CRYSTAL DRIVE, SUITE 1000, ARLINGTON, VA 22202, and whose interest in the Property described herein is that of Owner of the Building, and

The United States of America

("the 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:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

409 3<sup>RD</sup> ST, SW, WASHINGTON, DC 20024

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein.

To Have and To Hold the said Premises with their appurtenances for the term beginning on November 24, 2010 and continuing for a period of

**5 years with the option to renew for one additional 5 year period**

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by the General Services Administration.

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:**

WASHINGTON OFFICE CENTER L.L.C.

By: Vornado Realty L.P., authorized signatory

By: Vornado Realty Trust, its general partner

Name: Mitchell N. Scheak

Title: President - Vornado/Charles E. Smith  
Washington DC Office Division

Date: 04/18/12

**FOR THE GOVERNMENT:**

Michelle Parrish

Lease Contracting Officer

Date: MAY 30 2012

**WITNESSED BY:**

Name: Elizabeth Wallace

Title: Assistant to the President

Date: 04/18/12

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## SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

### 1.01 THE PREMISES—SUCCEEDING (APR 2011)

The Government accepts the leased premises and tenant improvements in their current existing condition as of the date of the Lease, with the following exceptions:

- The installation of new carpet in the Premises and repainting the Premises pursuant to Section 8.01;
- The provision of [REDACTED] at Lessor's expense pursuant to Section 6.02 on the [REDACTED] of the Premises;
- The correction of any fire and life safety deficiencies as set forth in the Pre-Lease Fire Protection and Life Safety Evaluation report dated August 19, 2011 Revision 1;
- Such ABAAS compliance work required, if any, in the Building's Common Areas;
- Any work to bring the Common Areas of the Building into compliance with applicable codes and ordinances, all of which shall be completed by Lessor,

The Lessor shall be responsible for continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the lease paragraphs and attached General Clauses.

The Premises are described as follows:

**Office and Related Space:** 21,056 rentable square feet (RSF), yielding 17,806 ANSI/BOMA Office Area (ABOA) square feet (sq. ft.) of office and related space (based upon a Common Area Factor of 18.25 percent, located on a portion of the 4th floor and known as Suite 401, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

### 1.02 EXPRESS APPURTENANT RIGHTS (APR 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

**Antennae, Satellite Dishes and Related Transmission Devices:** Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

### 1.03 RENT AND OTHER CONSIDERATION—SUCCEEDING (APR 2011)

A. The Government shall pay the Lessor annual rent payable monthly in arrears at the following rates:

	YEARS 1—5		YEARS 6—10	
	ANNUAL RENT	ANNUAL RATE / RSF	ANNUAL RENT	ANNUAL RATE / RSF
Shell Rental Rate	\$784,546.56	\$37.26	\$832,975.36	\$39.56*
Operating Costs	\$172,448.64	\$8.19	\$172,448.64	\$8.19
Amortized Building Specific Security	\$6,316.80	\$0.30	\$0	\$0

<b>FULL SERVICE RATE</b>	<b>\$963,312.00</b>	<b>\$45.75</b>	<b>\$1,005,424.00</b>	<b>\$47.75*</b>
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- This rate shall be increased or decreased by the accrued increases or decreases, as applicable, resulting from adjustments to the annual rent during years 1-5 due to operating cost adjustments during years 1-5. The original Operating Cost base amount and the original Real Estate Tax Base shall continue to be used during years 6-10.

1. Free Rent: From January 1, 2012 through March 31, 2012, the Government shall have free rent in the amount of \$242,519.36, a figure that includes the appropriate FY12 operating escalations as calculated in the FY12 Operating Cost Escalation document, incorporated by reference here.. During the aforementioned period of free rent the Government's rent due to the Lessor is \$0.00, except that the Government shall pay any other sums due to the Lessor pursuant to this Lease for said period.

2. \$138,969 for new carpet and repainting is included in the shell rent and is amortized at an interest rate of 0 percent (0%) per annum over the five (5)-year initial term.

3. No allowance for Amortized Building Specific Security is included in the rent. The Amortized Building Specific Security amount of \$6,316.80 represents the projected annual cost (amortized at a rate of 0 percent (0%) over the five (5)-year initial term) of installing [REDACTED] in the Premises pursuant to Section 6.02A, which shall be completed by the Lessor at its expense.

B. 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.

C. Rent shall be paid to the 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.

D. The 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 Paragraph 1.01, "The Premises," created herein.
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.
4. 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.
5. Notwithstanding anything in this Section 1.03.D or elsewhere in this Lease to the contrary, the rental rate does not include, and the Lessor shall not be obligated to provide at its cost, utilities, maintenance, repair, replacement or other services for Government-owned equipment in the Premises. All such equipment shall be submetered at the Government's expense and the Government shall pay for the cost of such utility consumption as well as for the installation, maintenance, repair and replacement of such equipment. If submetering is necessary, the Lessor shall furnish in writing to the Contracting Officer a record of the meter numbers and verification that the meters measure Government usage only

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**1.06 RENEWAL RIGHTS (APR 2011)**

This Lease may be renewed at the option of the Government for a term of 5 YEARS at the following rental rate(s):

	Option Term, Years 06—10	
	Annual Rent	Annual Rate / RSF
Shell Rental Rate	\$1,005,424.00	\$47.75*
Operating Cost	Operating cost basis shall continue from Year 1 of initial lease term. Option term is subject to continuing annual adjustments.	

\* This rate shall be increased or decreased by the accrued increases or decreases, as applicable, resulting from adjustments to the annual rent during years 1-5 due to operating cost adjustments during years 1-5. The original Operating Cost base amount and the original Real Estate Tax Base shall continue to be used during years 6-10.

provided notice is given to the Lessor at least 365 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

**1.07 DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Floor Plan(s)	1	A
Parking Plan(s)	NA	NA
Special Requirements	NA	NA
GSA Form 3517B General Clauses		
GSA Form 3518, Representations and Certifications		
Small Business Subcontracting Plan		
Building Security Unit Price List		
FY 12 Operating Cost Escalation	1	
Fire Protection Engineering Review Comments	3	

**1.08 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (APR 2011)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the Real Estate Tax Adjustment clause of this lease is 5.02 percent. The percentage of occupancy is derived by dividing the total Government space of 21,056 rentable square feet by the total building space of 419,106 rentable square feet.

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment clause of the Lease is \$2,169,516.56, which was the amount of Real Estate Taxes payable on the fully assessed value of the building on its tax assessment for the 2011 DC Tax Year.

**1.09 OPERATING COST BASE (APR 2011)**

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$8.19 per rentable sq. ft.

**1.10 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (APR 2011)**

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Leased 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 \$1.20 per ABOA sq. ft. of space vacated by the Government.

**1.11 OVERTIME HVAC RATES (APR 2011)**

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

\$37.74 per hour for the first zone, plus \$6.23 per hour for each additional zone. Each floor in the building has four zones. The foregoing rates shall be adjusted at the start of each year based on mutual agreement of the Parties on the Lessor's actual cost to provide such services.

No. of zones: 4 per floor

**1.12 24-HOUR HVAC REQUIREMENT (APR 2011)**

The Overtime Usage 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 services shall be provided by the Lessor at a negotiable rate.

**1.13 ADDITIONAL BUILDING IMPROVEMENTS (APR 2011)**

In addition to construction of the Tenant Improvements as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire/Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space:

- A. \_\_\_\_\_
- B. \_\_\_\_\_
- C. \_\_\_\_\_