

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE:

August 9, 2011

LEASE No. GS-11B-02294

THIS LEASE, made and entered into this date between CESC 1750 Pennsylvania Avenue L.L.C., whose address is:

c/o Vornado/Charles E. Smith L.P.  
2345 Crystal Drive, Suite 1000  
Arlington, VA 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 52,028 Rentable Square Feet (RSF) (hereinafter referred to as the Leased Premises) equivalent to 43,036 ANSI/BOMA Office Area Square Feet (BOASF) of office and related space, consisting of the entire seventh (7th) floor (23,032 BRSF/19,210 BOASF), the entire eleventh (11<sup>th</sup>) floor (23,032 BRSF/19,210 BOASF), and a portion of the twelfth (12th) floor (5,964 BRSF/4,616 BOASF) as shown in the floor plans attached as Exhibit A and made a part hereof, as well as two (2) reserved parking spaces on-site for Official Government Vehicles at no additional cost to the Government, in the building located at 1750 Pennsylvania Avenue, NW, Washington, DC 20006-4510.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a TEN (10) YEAR firm term beginning on February 1, 2012 and expiring January 31, 2022.
3. The Government shall pay the Lessor annual rent of \$2,480,164.68 (\$57.63 per BOASF) at the rate of \$206,680.39 per month in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$435,524.32 (\$10.12/BOASF), base real estate taxes, and \$181,095.49 to amortize a tenant improvement allowance of \$1,810,954.88 (\$42.08/BOASF) at zero percent (0%) annual interest over the firm term. The operating cost base includes the daytime cleaning premium of [REDACTED]/BOASF. Notwithstanding the foregoing, the rent shall be fully abated for the first eight (8) months of the lease term, equivalent in value to \$1,653,443.12. Rent checks shall be made payable to: CESC 1750 Pennsylvania Avenue L.L.C., P.O. Box 644116, Pittsburgh, PA 15264-4116.
4. Commission and Commission Credit - The Lessor has agreed to a lease commission of [REDACTED] of the firm term value of this lease excluding the eight (8) month rent abatement amount, payable in accordance with the SFO. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, the Broker shall 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 the amount of [REDACTED] in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO, as well as the agreement dated November 15, 2010, between Lessor and Jones Lang LaSalle.

Notwithstanding Paragraph 3 of this Standard Form 2, the Commission Credit of [REDACTED] shall be deducted from the monthly rent due in the ninth (9th) and tenth (10<sup>th</sup>) months as follows: [REDACTED] shall be credited in the ninth (9<sup>th</sup>) month, leaving [REDACTED] as the rent due in the ninth (9<sup>th</sup>) month; and [REDACTED] credited in the tenth (10<sup>th</sup>) month, leaving [REDACTED] due for the tenth (10<sup>th</sup>) month.

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. Within 120 calendar days of the Government's execution of the Lease, 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, as well as the recommendations and findings of the GSA Fire

Protection Engineering Section's review of the report, attached hereto and made a part hereof as Rider #1.

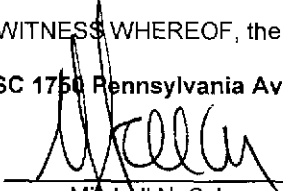
- C. The annual rent set forth in Paragraph 3 of this Standard Form 2 includes a \$42.08 per BOASF Tenant improvement allowance amortized at 0% over the firm term equaling \$4.21 per BOASF per year. The total amount of the Tenant Improvement allowance is \$1,810,954.88. The Government shall be entitled 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 or to reduce the annual rent as set forth in Paragraph 3; any such action thus taken shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount, the revised rent and the revised commission.
- 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 2.5% and the general contractor's fees for general conditions shall not exceed 3.5%. The Lessor's total construction management & coordination fees for the Tenant Improvements for the Government's space shall not exceed 4%. Any such fees will be paid for out of the Tenant Improvement Allowance as per Section 5.10 of the SFO. Architect/Engineering design fees are a building shell item and therefore not subject to any markup and/or fees.
- E. In the event the Government vacates any portion of the leased premises, the rent for such space shall be adjusted downward by \$2.41 per BOASF in accordance with SFO Paragraph 4.4.
- F. Pursuant to Paragraph 4.2 of the SFO, the Government's percentage of Occupancy is 18.47% for tax purposes, as calculated: 52,028 RSF/281,624 RSF.
- G. Real Estate Tax payments shall be adjusted annually in accordance with Paragraph 4.2 Tax Adjustment of the SFO. Operating expenses shall be adjusted in accordance with Paragraph 4.3 Operating Costs of the SFO.
- H. Notwithstanding anything in the SFO or the attachments thereto to the contrary, the rate for overtime HVAC services shall be \$56.50/hour for the entire leased premises. This rate does not include the services of a building engineer or maintenance mechanic which is not required for the provision of overtime HVAC services.
- I. Pursuant to paragraph 1.1(B) of the SFO, the two (2) reserved parking spaces discussed in Paragraph 1 of this Standard Form 2 shall be at no additional charge to Government. The Government's end users shall have the right to acquire up to 34 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. The cost for unreserved parking permit is \$275.00 per month, and the cost for reserved parking permits is \$550.00 per month. Beginning in the second year of the lease, and every year thereafter the cost for parking permit shall escalate in accordance with market.
- J. Pursuant to Exhibit B - "Supplemental HVAC Units", the Leased Premises includes sixteen (16) supplemental HVAC units. The supplemental units consist of units that provide (i) supplemental cooling to the base building's HVAC systems, (ii) cooling to the Government's mechanical equipment in areas such as LAN rooms and telephone closets, and (iii) cooling to the Government's support spaces such as training rooms or conference rooms. As highlighted on Exhibit B, the Lessor at its sole cost and expense shall maintain and operate all HVAC units identified as "Lessor Responsibility". The Government at its sole cost and expense shall maintain and operate all HVAC units identified as Government Responsibility, and these units shall be separately metered for electrical consumption. Subject to the Government's receipt of a valid invoice from the Lessor, the Government shall twice per year reimburse the Lessor for invoiced electrical costs for those units identified as Government Responsibility. With the exception of HVAC units Numbers 1 and 2, all "Lessor Responsibility" units shall be operated as deemed necessary by Lessor to maintain the HVAC specifications of the SFO during Normal Hours as defined in SFO paragraph 4.5. HVAC units Numbers 1 and 2 shall be operated 365 days a year, 24 hours a day.
- K. All janitorial services outlined in paragraph 4.8 of the SFO, shall be performed during normal building hours as defined in Paragraph 4.5.
- L. If there is any conflict between this SF-2 and the balance of the Lease, the terms specified in this SF-2 shall govern.
- M. This lease agreement shall be contingent upon the concurrent execution by the Government of the leases presented by Lessor for lease numbers GS-11B-02295 and GS-11B-02288. The Government shall concurrently execute all three lease agreements.

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

- A) Exhibit A – Floor plan of leased premises, 3 pages
- B) Exhibit B – Supplemental HVAC Units, 1 page
- C) GSA Form 1217 - Lessor's Annual Cost Statement, 1 pages
- D) Rider #1-Fire Protection and Life Safety Findings and Recommendations, 6 pages
- E) Rider #2-Security Requirements, 1 page
- F) Solicitation For Offers No. 0D2028 & Program of Requirements, 59 pages
- G) Amendment #1 to Solicitation for Offers No. 0DC2028, 1 page
- H) Solicitation Attachment #4, 23 pages
- I) GSA Form 3517B – General Clauses, 33 pages
- J) GSA Form 3518 – Representations and Certifications; 7 pages
- K) Pre-Lease Security Plan, 15 pages
- L) Small Business Subcontracting Plan, 13 pages
- M) Broker Commission Agreement, 3 pages

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

By: CESC 1750 Pennsylvania Ave L.L.C.



Mitchell N. Schear  
Executive Vice President

2345 Crystal Drive, Suite 1000  
Arlington, VA 22202

Date: 6/15/2011

IN PRESENCE OF: ADEBlais

ADEBlais  
(Signature)

2345 Crystal Drive, Suite 1000  
Arlington, VA 22202 (Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION



Mark Stadslev

Contracting Officer

