

DATE OF LEASE: **NOV 10 2010**

LEASE #GS-11B-02219

THIS LEASE, made and entered into this date between: CESC Crystal/Rossllyn 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 approximately **15,428 ANSI BOMA Rentable Square Feet (BRSF)**, being **12,287 ANSI BOMA Office Area Square Feet (BOASF)**, (herein referred to as the Leased Premises), consisting of 7,516 BRSF (5,986 BOASF) in Suite 607; 7,912 BRSF (6,301 BOASF) in Suite 601 as shown on the attached floor plans made a part hereof, in the building known as 201 12th Street, located at 201 12th Street South, Arlington, VA 22202.

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 ten (10) 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 ten (10) years later, subject to renewal rights as may be set forth hereinafter.

3. The Government shall pay the Lessor an annual rent of \$631,306.06 (\$51.38/BOASF) at the rate of \$52,608.84 per MONTH in arrears. Rent for a lesser period shall be prorated. The annual rent includes an operating cost base of \$108,739.95 (\$8.85 / BOASF), base real estate taxes, \$2,394.40 to amortize a tenant improvement allowance of \$23,944.00 (\$4.00/BOASF) for Suite 607 (5,986 BOASF) at zero percent (0%) annual interest, and \$12,602.00 to amortize a tenant improvement allowance of \$126,020.00 (\$20.00/BOASF) for Suite 601 (6,301BOASF) at zero percent (0%) annual interest. The operating cost base includes the daytime cleaning premium of \$0.70/BOASF. Government shall be entitled to a rent credit in the amount of \$342,483.54 to be applied against the monthly fully serviced rental payment until exhausted. Rent checks shall be payable to **CESC Crystal/Rossllyn L.L.C.**, at the address shown below:

CESC Crystal/Rossllyn 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) Prior to commencement of the Lease, 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, 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.
- b) Tenant Improvements: Upon completion of improvements in both Suites 601 and 607 by Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a Supplemental Lease Agreement (SLA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements for both Suites 601 and 607 combined is greater or less than \$149,964.00, then the rent shall be adjusted accordingly. (See SFO Section 3.2) Tenant improvements financed by the Lessor is as follows: tenant improvements financed for Suite 607 (5,986 BOASF) above \$4.00/BOASF and up to \$42.08/BOASF shall be amortized at ten percent (10%) annual interest; tenant improvements financed for Suite 601 (6,301 BOASF) by the Lessor above \$20.00/BOASF and up to \$42.08/BOASF shall be financed at the annual interest rate of ten percent (10%). Notwithstanding any provisions of the SFO to the contrary, the Government shall not amortize more than \$517,036.96 (\$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 4.50%, based on 15,428 RSF / 342,567 RSF, subject to confirmation of the total rentable area of the entire building.

LESSOR

GOVT

- 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 \$5.02/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 \$56/hour. The foregoing rate does not include the services of an engineer or other on-site staff which is not required for the provision of overtime HVAC services. In the event that the Government and another tenant request simultaneous overtime service, the applicable overtime charge shall be pro-rated over the square footage of each such tenant for the simultaneous hours requested. 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 the equipment operated to provide overtime HVAC, past utility bills and other pertinent information as requested in support of the overtime HVAC rate.
- f) 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.
- g) The Government's end users shall have the right to acquire up to 35 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 calendar year 2010 monthly rates for such permits shall be \$320 per parking permit for reserved spaces and \$160 per parking permit for non-reserved parking. Beginning in calendar year 2011, and continuing at the beginning of every calendar year thereafter, the rate for both reserved and unreserved parking permits shall escalate in accordance with prevailing market rates for Crystal City, Virginia. 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. The Lessor reserves the right, after 30 calendar days notice to the Government, to (A) relocate up to 9 of the 35 parking permits to another Government-leased building within the Lessor's Crystal City inventory, that is within reasonable walking distance of 201 12th Street, Arlington, Virginia; or (B) reduce the number of parking permits from 35 to 26 parking permits. The Government shall not be obligated to accept the Lessor's relocation option as stated above. In the event that the Government rejects such option, the Lessor may reduce the number of parking permits from 35 to 26.
- h) The Government shall be responsible for all costs if any associated with above standard HVAC.
- i) The Leased Premises consists of Suite 607 and Suite 601. Suite 607 is occupied by the Government pursuant to Lease Number GS-11B-01573, which is being extended to the rent commencement and lease commencement date of this Lease. Suite 607 is immediately available to commence with tenant construction and will be remodeled during the term of GS-11B-01573, as extended. Suite 601 is temporarily occupied by another tenant, and will be made available for construction of the Government's tenant improvements no later than August 15, 2010. Both Suite 607 and Suite 601 will be constructed in accordance with Attachment 2, however the Lessor shall not be required to commence construction on Suite 601 until the later of (i) the Lessor's receipt of a Notice to Proceed with Construction from the Government or (ii) August 15, 2010. Pursuant to Paragraph 2 of this Standard Form 2, rent commencement and Lease commencement shall be determined upon substantial completion of Lessor's work in accordance with this Lease in both Suite 607 and Suite 601 and acceptance of the space by the Government. Furthermore, the lease commencement date for the entire premises will be the date of substantial completion and acceptance of the latter of the two suites.
- j) Notwithstanding anything to the contrary, the parties agree this lease shall serve as a succeeding lease agreement to renew Suite 607, Lease Number GS-11B-01573, and the Government will continue to occupy Suite 607 without change to the existing floor plan layout and the Lessor will continue to maintain, repair and replace as necessary all of the elements of the warm, lit shell in Suite 607 to the specifications of SFO 07-016. In the event that the Government elects to make alterations to the leased space and in the scope of those additional alterations an element of the warm lit shell in Suite 607 which is presently existing and functioning to the specifications of SFO 07-016 is damaged or destroyed, the cost and expense to restore said warm lit shell items shall be borne by the Government.
- k) 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.

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, 1 page
11. Rider #1 - Fire & Life Safety, 1 page
12. Rider #2 - Tenant Improvements, 1 page

IN WITNESS WHEREOF, the undersigned do hereby certify that they have hereunto subscribed their names as of the date first above written.

LESSOR:

BY _____

TITLE: Executive Vice President

IN PRESENCE _____

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

UNITED STATES OF AMERICA

BY _____

CONTRACTING OFFICER, GSA, NCR

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EXCEPTION TO SF2 APPROVED