

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT	DATE
	No. 2	DEC 4 2012
TO LEASE NO. GS-11B-12521		(Page 1 of 2)

1235 South Clark Street
Arlington, VA 22202-3296

THIS AGREEMENT, made and entered into this date by and between CESC GATEWAY ONE L.L.C., whose address is:
c/o Vornado/Charles E. Smith L.P.
2345 Crystal Drive, Suite 1000
Arlington, VA 22202

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

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective UPON EXECUTION by the Government, as follows:

1. This Lease Amendment No. 2 is issued to establish the acceptance date of Suite 1000, to establish a composite lease and rent commencement date for the entire Leased Premises, to apply the entirety of the tenant improvement allowance as a reduction in the annual rental rate, and to establish the rent due for the entire Leased Premises over the ten year firm term.
2. The Government hereby accepts the portion of the Leased Premises consisting of 24,536 RSF (19,527 ABOA SF) comprising the entirety of the 10th floor (Suite 1000) as substantially complete effective April 1, 2012. In order to effectuate the intent of the parties that the relocation of the Government tenant to Suite 1000 from the building located at 1851 South Bell Street, Arlington, VA (formerly known as "Crystal Mall 3") be accomplished without incurring "double rent", the parties further stipulate and agree that former leases GS-11B-01465, GS-11B-01464, and GS-11B-00207 for space in Crystal Mall 3 are hereby terminated and shall be of no further force or effect effective as of midnight on March 31, 2012.
3. Based on the Government's acceptance of the initial 40,319 RSF effective January 8, 2012, and its acceptance of the remaining 24,536 RSF effective April 1, 2012, the square-footage-weighted-average composite lease and rent start date for the entire leased premises of 64,855 RSF (52,606 ABOA SF) is hereby established as February 9, 2012. Accordingly, the Lease is hereby amended to provide for a ten year firm term for 64,855 RSF commencing on February 9, 2012 and expiring on February 8, 2022. No rent shall be due for the period from January 8, 2012 through February 8, 2012. Any rental paid by the Government subsequent to January 8, 2012 will be credited against the Government's obligation to pay rent for the 10 year term commencing on the composite lease commencement date of February 9, 2012.

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All other terms and conditions of the original lease shall remain in full force and effect.
IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

Lessor: CESC GATEWAY ONE L.L.C.

By: Vornado/Charles E. Smith L.P., its agent

By: Vornado/Charles E. Smith Management L.L.C., its general partner

BY  _____
Chief Operating Officer
(Title)

IN THE PRESENCE OF (witnessed by):

 _____
2345 Crystal Drive, Suite 1100
Arlington, VA 22202
(Address)

UNITED STATES OF AMERICA
BY  _____
Lease Contracting Officer, GSA, NCR
(Official Title)

4. Pursuant to Section 1.09 of the Lease, the Government hereby elects to apply the entirety of the available tenant improvement allowance of \$2,213,660.40 (\$42.08/ABOA SF) to reduce the rental rate over the ten-year firm term at an amortization rate of 0%, for a reduction in the annual rental rate of \$3.41324567/RSF.
5. Lease Section 1.03(A) is hereby deleted in its entirety and replaced with the following:
- A. Effective February 9, 2012, the Government shall pay the Lessor annual rent for 64,855 RSF (yielding 52,606 ABOA SF), together with 2 unreserved parking spaces for official government vehicles, payable in monthly installments in arrears, at the following rates:

	FIRM TERM		NON FIRM TERM	
	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	\$1,776,524.71	\$27.392255	\$NA	\$NA
TENANT IMPROVEMENTS RENT ¹	\$ 0	\$0	\$ NA	\$NA
OPERATING COSTS	\$ 591,410.90	\$9.118972	\$ NA	\$NA
BUILDING SPECIFIC SECURITY ²	\$ 8,364.40	\$0.128971	\$ NA	\$NA
TOTAL ANNUAL RENT	\$2,376,300.01	\$36.640198	\$NA	\$NA

¹The Tenant Improvement Allowance is amortized at a rate of 0 percent per annum over 10 years.
²Building Specific Security Costs are amortized at a rate of 0 percent per annum over 10 years.

6. Lease Section 1.04 is hereby deleted in its entirety and replaced with the following:

1.04 BROKER COMMISSION AND COMMISSION CREDIT (AUG 2011)



A. Studley, Inc. ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to Studley, Inc. with the remaining [REDACTED], which is the "commission credit", to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this commission credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully this commission credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$198,025.00 minus prorated commission credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.

Month 2 Rental Payment \$198,025.00 minus prorated commission credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.

7. Effective February 9, 2012, the Government's percentage of occupancy, as set forth in Lease Section 1.11, is 16.94 percent, based on occupancy of 64,855 RSF in a building that totals 382,876 RSF.
8. Effective February 9, 2012, the operating cost base, as set forth in Lease Section 1.12, shall be \$591,410.90 (\$9.118972 per RSF) for the entire leased premises of 64,855 RSF (yielding 52,606 ABOA SF).

INITIALS:  & 
LESSOR & GOVERNMENT