

LEASE NO. GS-11P-LVA12682

Standard Lease
GSA FORM L201C (September 2013)

This Lease is made and entered into between

CESC Crystal Square Four LLC

("the Lessor") whose principal place of business is c/o Vornado/Charles E. Smith L.P., 2345 Crystal Drive, Suite 1100, Arlington, Virginia 22202-4801 and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(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:

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

241 18th Street South (formerly known as Crystal Square Four), Arlington, Virginia 22202-4801

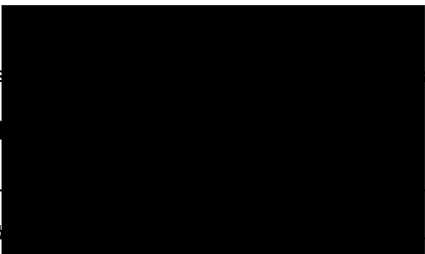
and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for Five (5) Year Firm term beginning on March 17, 2015 (the "Lease Term Commencement Date") and continuing through March 16, 2020, with a right to renewal pursuant to Section 1.06.

In Witness whereof, the parties have hereunto set their hands and seals, and their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date hereof, and to be in full force and effect as to the Lessor.

FOR THE LESSOR:



Name: _____

Title: Executive Vice President

Entity Name: CESC Crystal Square Four LLC

Date: 9/2/15

FOR THE GOVERNMENT:



Name: _____

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 9-9-2015

WITNESSED FOR THE LESSOR BY:



Title: Executive Office Assistant

Date: 9/2/15

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space:

1. Effective March 17, 2015, 31,502 BOMA Rentable square feet (RSF), yielding 27,893 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space located in Suite 603 (2,440 BRSF/2,070 ABOA) on the 6th floor and Suite 800-809 (29,062 BRSF/25,623 ABOA) on the 8th floor of the said Building is leased, as depicted on the floor plans attached hereto as Exhibit A. The Government and the Lessor stipulate to the rentable square feet as 31,502 BRSF. This Lease replaces and terminates the entire former Lease No. GS-11B-00178 by the Government effective March 16, 2015.

2. Upon substantial completion of Suite 400 on the 4th Floor (4,717 BRSF/4,102 ABOA) and upon execution and award of a lease amendment to memorialize the change, the leased premises shall consist of Suite 400 (4,717 BRSF/4,102 ABOA) on the 4th floor and Suite 800-809 (29,062 BRSF/25,623 ABOA) on the 8th floor totaling 33,779 BRSF/29,725 ABOA as the amended office and related space in the said Building, as depicted on the floor plans attached hereto as Exhibit B. Suite 603 will be removed from this lease upon the Government's acceptance of Suite 400 via lease amendment by the Government.

B. Common Area Factor: For the period from March 17, 2015, to the date of substantial completion of Lessor's work on Suite 400: the Common Area Factor (CAF) is established as 1.137544. For the period from the date of substantial completion of Lessor's work on Suite 400 through March 16, 2020: the Common Area Factor (CAF) is established as 1.136384. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: Two (2) parking spaces as depicted on the form 1364 (Proposal TO Lease Space) attached hereto, reserved for the exclusive use of the Government. If required by the Government, the Lessor shall provide additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property at the then current market rate to be adjusted no more than once per annum.

B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, the right to access the roof of the Building, and use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

A. From March 17, 2015, for Suites 800-809 and Suite 603, the Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

INITIAL FIVE YEAR FIRM TERM	
	ANNUAL RENT
SHELL RENT ¹	\$829,587.56
TENANT IMPROVEMENTS RENT ²	\$102,492.00
OPERATING COSTS ³	\$208,182.74
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$30,747.60
TWO RESERVED PARKING SPACES ⁵	\$8,400.00
TOTAL ANNUAL RENT	\$1,179,409.90

¹Shell rent (Firm Term) calculation: \$26.334441 per RSF (or \$29.96 per ABOA) multiplied by 31,502 RSF.

²The annual Tenant Improvement Allowance is \$3.253508 per RSF (or \$3.70 per ABOA) over five (5) years.

³Operating Costs rent calculation: \$6.608556 per RSF (or \$7.52 per ABOA) multiplied by 31,502 RSF.

⁴The annual Building Specific Security Cost is \$0.976052 per RSF (or \$1.11 per ABOA) over five (5) years.

⁵The rental rate includes two (2) reserved parking spaces. Parking permits cost is \$350.00 per reserved parking space (\$0.266650/RSF or \$0.30/ABOA).

Rent Concessions: For Suite 800-809 (29,062 BRSF / 25,623 ABOA), the Government shall be entitled to seven (7) months of free rent totaling \$642,739.13.

B. Immediately upon substantial completion of Lessor's work on Suite 400 and the Government's surrender of Suite 603, the Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

SUBSTANTIAL COMPLETION FIRM TERM	
ANNUAL RENT	
SHELL RENT ¹	\$889,118.40
TENANT IMPROVEMENTS RENT ²	\$134,446.58
OPERATING COSTS ³	\$223,458.35
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$35,670.00
TWO RESERVED PARKING SPACES ⁵	\$8,400.00
TOTAL ANNUAL RENT	\$1,291,093.33

¹Shell rent (Firm Term) calculation: \$26.321632 per RSF (or \$29.91 per ABOA) multiplied by 33,779 RSF.

²The annual Tenant Improvement Allowance is \$3.980182 (or \$4.52 per ABOA) over five (5) years.

³Operating Costs rent calculation: \$6.615304 per RSF (or \$7.52 per ABOA) multiplied by 33,779 RSF.

⁴The annual Building Specific Security Costs is \$1.055982 per RSF (or \$1.20 per ABOA) over five (5) years.

⁵The rental rate includes two (2) reserved parking spaces. Parking permits cost is \$350.00 per reserved parking space (\$0.248675/BRSF or \$0.28/ABOA).

Rent Concession: For Suite 400 (4,717 BRSF / 4,102 ABOA), the Government shall be entitled to 7 months of free rent (\$110,398.64).

In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 29,725 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. 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.

E. Rent is subject to adjustments based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

F. Rent shall be paid to 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 (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. 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 the paragraph entitled "The Premises."

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; and 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.

H. Parking shall be provided at a rate of \$350.00 per parking space per month (reserved/inside), and \$175.00 per parking space per month (unreserved surface/outside).

1.04 RENT CONCESSIONS (JUN 2012)

a. For Suite 800-809 (29,062 BRSF / 25,623 ABOA), the Government shall be entitled to 7 (seven) months of free rent in the amount of \$5642,730.13, to be applied against the monthly fully serviced rental payment until exhausted. The free rent shall commence with the first month of the Lease and continue until the free rent has been fully recaptured in equal monthly installments over the shortest time practicable.

b. For Suite 400 (4,717 BRSF / 4,102 ABOA), the Government shall be entitled to 7 (seven) months of free rent in the amount of \$110,398.64, to be applied against the monthly fully serviced rental payment until exhausted. The free rent shall commence with the first month following the month in which the Lessor's work on Suite 400 is substantially completed and continue until the free rent has been fully recaptured in equal monthly installments over the shortest time practicable.

1.05 TERMINATION RIGHTS (AUG 2014) INTENTIONALLY DELETED

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than XX days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (SEP 2013)

For space located on the 8th floor in Suite 800-809 (29,062 BRSF/25,623 ABOA) and on the 4th floor in Suite 400 (4,717 BRSF / 4,102 ABOA) of the Building, as depicted in Exhibit A, this Lease has [REDACTED] for the Government for an additional period of [REDACTED] commencing March 17, 2020.

OPTION TERM, YEARS	
ANNUAL RENT	ANNUAL RATE / RSF
FULL SERVICE RENTAL RATE	[REDACTED]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.

provided written notice is given to the Lessor at least 180 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 full force and effect during any renewal term.

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S) INITIAL	2	A
FLOOR PLAN(S) SUBSTANTIAL COMPLETION	2	B
SOLICITATION ATTACHMENT #1 – RATE STRUCTURE	1	C
SOLICITATION ATTACHMENT #2 – CONSTRUCTION SCHEDULE	1	D
SOLICITATION ATTACHMENT #3 – SCOPE OF WORK	2	E
SOLICITATION ATTACHMENT #4 – [REDACTED] RIDER	1	F
GSA FORM 1217 – LESSOR'S ANNUAL COST STATEMENT	1	G
GSA FORM 3517B GENERAL CLAUSES	46	H
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	12	I
ENERGY STAR	1	J
SMALL BUSINESS SUBCONTRACTING PLAN	8	K

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

For the 8th floor, Suite 800-809 (29,062 BRSF/25,623 ABOA), the Tenant Improvement Allowance (TIA) for purposes of this Lease is \$20.00/ABOA. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This total amount of \$512,460.00 is amortized in the rent over the Firm Term of this Lease at an annual interest rate of zero percent (0%). The tenant improvement allowance is available solely for tenant improvements required by the Government for occupancy of the existing user. Upon completion of improvements in the Leased Premises by the Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a subsequent Lease Amendment (LA) along with the amortization payment amount and revised rent. In the event the total cost of tenant improvements is greater than the \$512,460.00 already included in the annual rent as set forth in Paragraph 1.03, then the rent shall be adjusted accordingly. Notwithstanding any provisions of GSA Form L201C to the contrary, the Government shall not amortize more than \$512,460.00 (\$20.00/ABOA) in tenant improvements. The Government reserves the right to convert any unused portion of the \$512,460.00 of this allowance as a rental abatement (which shall be applied to the most current installments of rent then due until exhausted) or to reduce the annual rent as set forth in Paragraph 1.03; any such action thus taken shall be memorialized by LA along with the amortization payment amount and revised rent.

For the 4th floor, Suite 400 (4,717 BRSF / 4,102 ABOA), the Tenant Improvement Allowance (TIA) for purposes of this Lease is \$38.95/ABOA. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This total amount of \$159,772.90 is amortized in the rent over the Firm Term of this Lease at an annual interest rate of zero percent (0%). The tenant improvement allowance is available solely for tenant improvements required by the Government for occupancy of the existing user. Upon completion of improvements in the Leased Premises by the Lessor and acceptance thereof by the Government, the cost of improvements shall be memorialized in a subsequent Lease Amendment (LA) along with the amortization payment amount and revised rent to fully amortize the TIA for Suite 400 over the remaining portion of the initial five year term from the date of acceptance of the improvements to March 16, 2020. In the event the total cost of tenant improvements is greater than the \$159,772.90 already included in the annual rent as set forth in Paragraph 1.03, then the rent shall be adjusted accordingly. Notwithstanding any provisions of GSA Form L201C to the contrary, the Government shall not amortize more than \$159,772.90 (\$38.95/ABOA) in tenant improvements. The Government reserves the right to convert any unused portion of the \$159,772.90 of this allowance as a rental abatement (which shall be applied to the most current installments of rent then due until exhausted) or to reduce the annual rent as set forth in Paragraph 1.03; any such action thus taken shall be memorialized by LA along with the amortization payment amount and revised rent.

A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

- C. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to
1. Reduce the TI requirements,
 2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph, and
 3. Negotiate an increase in the rent to amortize additional TI funds into the rent, subject to the approval of the Lessor.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	3.04%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	3.50%

*Lessor's Project Management Fee includes General Contractor's overhead and profit, General contractor's general conditions, and Offeror's construction and management/coordination fees.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, for the 8th floor, Suite 800-809 (29,062 BRSF/25,623 ABOA), the Building Specific Amortized Capital (BSAC) is \$1.20 per ABOA SF annually, and for the 4th floor, Suite 400 (4,717 BRSF / 4,102 ABOA), the Building Specific Amortized Capital (BSAC) is \$1.20 per ABOA SF annually. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of zero percent.

1.12 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

- C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:
1. Reduce the security countermeasure requirements;
 2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
 3. Negotiate an increase in the rent.

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is as follows:

- a. From March 17, 2015 until substantial completion of TIA work in Suite 400, for Suites 800-809 and Suite 603, the prorata share is 9.4504%. This Percentage of Occupancy is derived by dividing the total Government Space of 31,502 RSF by the total Building space of 333,340 RSF.
- b. From substantial completion of TIA work in Suite 400, for Suites 800-809 and Suite 400, the prorata share is 10.1335%. This Percentage of Occupancy is derived by dividing the total Government Space of 33,779 RSF by the total Building space of 333,340 RSF.

1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, shall be as defined in the "Real Estate Tax Adjustment" paragraph of the Lease. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.15 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs that from March 17, 2015 until substantial completion of Lessor's work on Suite 400, for Suites 800-809 and Suite 603 shall be \$7.52 per ABOA or \$208,182.74/annum for the entire premises.

Furthermore, immediately upon substantial completion of Lessor's work on Suite 400 and surrender of Suite 603, for Suites 800-809 and Suite 400, the parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$7.52 per ABOA or \$223,458.35/annum for the entire premises

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the 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 \$1.85 per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$72.06 per hour per floor to be adjusted annually to reflect actual utility rates.

1.18 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC 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 rate to be negotiated when service is requested. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.19 BUILDING IMPROVEMENTS (SEP 2012)

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements:

- A. **Fire & Life Safety:** Lessor shall, at Lessor's sole cost and expense, perform all fire and life safety upgrades outlined in the attached Exhibit E, Fire and Life Safety Rider Number One prior to Governments acceptance of the space.

1.20 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (SEP 2013)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. **Appurtenant Areas.** Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. **Broker.** If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.
- C. **Building.** The building(s) situated on the Property in which the Premises are located shall be referred to as the Building(s).
- D. **Commission Credit.** If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the Commission Credit.