



ARLINGTON COUNTY, VIRGINIA

County Board Agenda Item Meeting of June 16, 2012

DATE: May 21, 2012

SUBJECT: Approval of an Office Building Storage Space Deed of Lease between VNO Courthouse I LLC, as Landlord, and the County Board of Arlington County, Virginia, as Tenant, for Storage Space in the Building Known as Courthouse Plaza Office Building I, on the G-4 Level of 2100-2200 Clarendon Blvd., Arlington, Virginia 22202 (RPC # 18-005-041).

C. M. RECOMMENDATIONS:

1. Approve the attached Office Building Storage Space Deed of Lease between VNO Courthouse I LLC, and The County Board of Arlington County, Virginia, for storage space in the building known as Courthouse Plaza Office Building I, on the G-4 Level at 2100-2200 Clarendon Blvd., Arlington, Virginia 22202 (RPC # 18-005-041).
2. Authorize the Real Estate Bureau Chief to execute, on behalf of the County Board, the Office Building Storage Space Deed of Lease, and all related documents, subject to approval as to form by the County Attorney.

ISSUES: The County Board is being requested to approve and authorize the execution of the attached Office Building Storage Space Deed of Lease for storage space at Courthouse Plaza. There are no outstanding issues related to this Board item.

SUMMARY: Due to their increased storage needs, CPHD, Zoning and Inspection Services are requesting County Board approval of a lease for storage space on the G-4 level of Courthouse Plaza Office Building I. The approximately 1,052 square feet of storage space will be used to house various Zoning and Inspection Services documents.

BACKGROUND: CPHD, Zoning and Inspection Services are located on the 10th floor of Courthouse Plaza Office Building I. The 10th floor space is currently used, by CPHD, Zoning and Inspection Services, for various customer service and administrative operations. Portions of the 10th Floor space are also used for the storage of physical zoning, site plan, and permitting documents. Those portions of the 10th floor that are used for storage are nearing their full

County Manager:

BMD/mjs

County Attorney:

[Signature]

[Signature]

20.

Staff: Kevin Connolly, DES, Real Estate Bureau

capacity. Due to the limits of their existing storage space, CPHD, Zoning and Inspection Services are requesting the County Board to approve a storage lease that will allow for the location of certain documents downstairs, within an approximately 1,052 square foot storage unit located on the G-4 level of Courthouse Plaza Office Building I. The location and spatial configuration of the proposed storage space are shown on the schematic, attached to this report as Exhibit B.

DISCUSSION: The proposed storage space Deed of Lease is attached as Exhibit A. Some of the pertinent provisions of the proposed lease are as follows:

- The County will lease and occupy approximately 1,052 square feet of storage space in Courthouse Plaza, 2200, Courthouse Blvd, Level G-4.
- The rental rates for the storage space shall commence at a Base Annual Rent rate of \$17.00 per square foot per annum.
- The rental rate will increase by 3 percent each year.
- The Lease term is coterminous with the Office Building Lease term for office space at 2100 Clarendon Blvd. Both leases will expire on October 31, 2018.

FISCAL IMPACT: The monthly base rent cost in the first year of the lease is \$1,500, or \$18,000 per year. The CPHD Development Fund has budgeted contingency funds available to pay for the lease costs associated with the storage area on level G-4 in Courthouse Plaza.

**OFFICE BUILDING
STORAGE SPACE DEED OF LEASE**

FOR

**THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA**

AT

**ARLINGTON COURTHOUSE PLAZA I
Arlington, Virginia 22201**

**VORNADO/CHARLES E. SMITH L.P.
2345 Crystal Drive
Crystal City
Arlington, Virginia 22202**

VORNADO
CHARLES E. SMITH

This Office Building Storage Space Deed of Lease (this "Lease"), made this 23rd day of April, 2012, by and between VNO COURTHOUSE I LLC, a Delaware limited liability company (hereinafter called "Landlord") and THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body politic (hereinafter called "Tenant") (jointly, the "Parties"), is made with reference to the following facts:

Landlord, for and in consideration of the covenants and agreements set forth hereinafter, leases to Tenant and Tenant leases from Landlord, the Demised Premises hereinafter described, for the use set forth and for the term and at the rent reserved herein.

- 1.1 **DEMISED PREMISES:** Storage Room G4-S2, consisting of a total of approximately 1,052 square feet, located on the G-4 level as shown on Exhibit A-1 attached hereto and made a part hereof by reference (the "Demised Premises").
- 1.2 **BUILDING:** ARLINGTON COURTHOUSE PLAZA I
- 1.3 **ADDRESS:** 2200 Clarendon Boulevard
Arlington, Virginia 22201
- 1.4 **TERM OF LEASE:** (a) The term of this Lease shall commence on the date (the "Lease Commencement Date") that is the first (1st) day of the first (1st) full calendar month after the Effective Date (as defined in Section 31 below), and shall continue until October 31, 2018 (the "Expiration Date"). Following the Effective Date, at the request of either party, Landlord and Tenant shall execute the "Confirmation as to Effective Date and Lease Commencement Date" attached hereto as Exhibit B and made a part hereof, however, any failure of the parties to execute such certificate shall not affect the Effective Date or the Lease Commencement Date.

(b) Landlord and Tenant are parties to that certain Amended and Restated Office Building Deed of Lease dated October 23, 2002 (as amended, the "Office Lease"). The term of the Office Lease currently is scheduled to expire on the Expiration Date (*i.e.*, October 31, 2018); provided, however, under the terms of Section 38 of the Office Lease, Tenant has the right to renew the term of the Office Lease for multiple Renewal Terms (as such term is defined in the Office Lease), subject to and in accordance with the terms and conditions thereof. If Tenant exercises its right to extend the term of the Office Lease for any Renewal Term thereunder pursuant to the terms of the Office Lease, then Tenant also shall have the right to renew the term of this Lease, by including such written election thereof with Tenant's Renewal Option Notice provided to Landlord under the Office Lease (in which event, the Expiration Date of this Lease shall be extended to the last day of such Renewal Term for the Office Lease). If either (i) Tenant fails to provide such written election to extend the term of this Lease concurrently with Tenant's delivery of the Renewal Option Notice with respect to a Renewal Term under the Office Lease, or (ii) Tenant fails to elect to extend the term of the Office Lease with respect to any particular Renewal Term, then, in either such event, the term of this Lease shall expire at the then-scheduled Expiration Date of this Lease, and Tenant shall have no further right of renewal whatsoever under this Lease. If Tenant timely elects to extend the term of this Lease for any such Renewal Term as aforesaid, then all of the terms and conditions of this Lease shall continue to apply during such Renewal Term as if the term of this Lease had originally included such Renewal Term, except that the Base Annual Rent payable under this Lease for such Renewal Term shall be the then prevailing market rent for storage space in comparable buildings in the Rosslyn-Ballston Corridor submarket of Arlington County, Virginia (the "Prevailing Storage Rent"). If Landlord and Tenant do not agree upon the Prevailing Storage Rent within the period set forth in Section 38.2 of the Office Lease for the agreement of the Prevailing Market Rent for the Renewal Term under the Office Lease, then the Prevailing Storage Rent shall be determined by the Broker Method (as such term is defined in Section 38.2 of the Office Lease). Within ninety (90) days after the Prevailing Storage Rent is agreed upon by Landlord and Tenant or determined by the Broker Method, as the case may be, Landlord and Tenant shall enter into an amendment to this Lease setting forth the new Expiration Date and Base Annual Rent to be

paid for the Renewal Term hereunder. In the event there exists a default by Tenant under this Lease beyond applicable notice and cure periods on the date a Renewal Option Notice is sent or any time thereafter up to and including the date the applicable Renewal Term is to commence, then at Landlord's option, the Renewal Term shall not commence for this Lease and the initial term of this Lease (or the then-current Renewal Term, as applicable) shall expire on the then-scheduled Expiration Date that would have been in effect in the absence of any such renewal.

- 1.5 BASE ANNUAL RENT:** Commencing on the Lease Commencement Date, Tenant shall pay Landlord Base Annual Rent at a rate equal to Seventeen and 00/100 Dollars (\$17.00) per square foot of the Demised Premises per annum, full service. Notwithstanding the foregoing, in the event the actual Lease Commencement Date is any date other than June 1, 2012, then the initial Base Annual Rent to be paid commencing on the Lease Commencement Date shall be based on that amount set forth in Chart 1 below, for that date. The Base Annual Rent shall be payable in advance in equal monthly installments, and shall be due on the first day of each calendar month of the applicable term of this Lease. The first monthly installment of Base Annual Rent with respect to the Demised Premises shall be due on the Lease Commencement Date. For any partial calendar month at the beginning of the Term of Lease, Base Annual Rent for the Demised Premises shall be computed on a per diem basis of 1/30th of the monthly installment for each day of such partial calendar month. On August 1, 2013, and on each subsequent anniversary thereof, Base Annual Rent for the Demised Premises shall be increased by three percent (3%) of the Base Annual Rent for the Demised Premises payable for the immediately preceding lease year, pursuant to the schedule labeled "Chart 1" below.

Chart 1 – Demised Premises

Time Period	Rent Per Sq. Ft.	Base Annual Rent	Monthly Rent
6/1/12 – 7/31/13	\$17.00	\$17,883.96	\$1,490.33
8/1/13 – 7/31/14	\$17.51	\$18,420.48	\$1,535.04
8/1/14 – 7/31/15	\$18.04	\$18,978.12	\$1,581.51
8/1/15 – 7/31/16	\$18.58	\$19,546.20	\$1,628.85
8/1/16 – 7/31/17	\$19.14	\$20,135.28	\$1,677.94
8/1/17 – 7/31/18	\$19.71	\$20,734.92	\$1,727.91
8/1/18 – 10/31/18	\$20.30	\$21,355.56	\$1,779.63

- 1.6 IMPROVEMENTS:** Tenant shall accept the Demised Premises in its "as is" condition existing as of the Lease Commencement Date.
- 1.7 INTENTIONALLY OMITTED**
- 1.8 INTENTIONALLY OMITTED**
- 1.9 BROKERAGE:** Tenant represents and warrants that it did not retain any broker, agent or real estate salesperson with respect to carrying out negotiations or any other dealings related to this Lease. Landlord represents and warrants that it retained Vornado/Charles E. Smith L.P., as its property management agent ("Agent"). Landlord, and not Tenant, shall compensate Agent according to a separate agreement. Landlord shall hold Tenant harmless from any claims arising out of Landlord's agreement with Broker. Additionally, Landlord agrees to pay all commissions and costs to any and all other brokers or agents entitled to any commission or compensation in connection with this Lease pursuant to the terms of separate agreements (provided such agreements were not entered into by Tenant), and Landlord shall hold Tenant harmless therefrom.

1.10 APPLICABLE LAW: This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia. The Parties hereto agree that all disputes arising hereunder shall be brought in the Circuit Court of Arlington County, Virginia, which shall be the proper forum for any dispute arising hereunder, and in no other courts. The unenforceability, invalidity, or illegality of any provision herein shall not render any other provision herein unenforceable, invalid, or illegal. Landlord shall comply with federal, state and local laws, ordinances and regulations applicable to the Building in connection with Landlord's operation, maintenance and repair of the Building.

1.11 ADDRESS FOR NOTICES TO TENANT: The County Board of Arlington County, Virginia
2100 Clarendon Boulevard, Suite 302
Arlington, Virginia 22201
Attn: County Manager

And to: Arlington County, Virginia
Department of Environmental Services
Engineering and Capital Projects Division
2100 Clarendon Boulevard, Suite 800
Arlington, Virginia 22201
Attn: Real Estate Bureau Chief

With a copy to: Arlington County, Virginia
County Attorney's Office
2100 Clarendon Boulevard, Suite 403
Arlington, Virginia 22201
Attn: Arlington County Attorney

1.12 ADDRESS FOR NOTICES TO LANDLORD: VNO Courthouse I LLC
c/o Vornado/Charles E. Smith L.P.
2345 Crystal Drive
Suite 1000
Arlington, Virginia 22202
Attention: President

and to:

VNO Courthouse I LLC
c/o Vornado Realty Trust
210 Route 4 East
Paramus, New Jersey 07652
Attention: Chief Financial Officer

With a copy to:

VNO Courthouse I LLC
c/o Vornado/Charles E. Smith L.P.
2345 Crystal Drive
Suite 1000
Arlington, Virginia 22202
Attention: Chief Operating Officer

Address for Landlord's Resident Agent in Virginia:
(for service of legal process, notice, order or demand required or permitted by law)

CT Corporation System
4701 Cox Road
Suite 301
Glen Allen, Virginia 23060

- 1.13 ADDRESS FOR PAYMENT OF RENT:** VNO Courthouse I LLC
c/o Vornado/Charles E. Smith L.P.
P.O. Box 642078
Pittsburgh, Pennsylvania 15264-2078
- 1.14 INTENTIONALLY OMITTED**
- 1.15 TENANT EQUIPMENT:** In Section 9.1 of the General Provisions hereof, in the first line, after the second 'equipment' insert "solely serving the Demised Premises".
- 1.16 PERSONAL PROPERTY:** In Section 14.1 of the General Provisions hereof, at the end of the first sentence, delete the period and insert "unless caused by, or due to the fault or negligence of, Landlord, its agents or employees." and delete the remainder of the paragraph.
- 1.17 WAIVER OF SUBROGATION:** Notwithstanding anything to the contrary contained herein, Landlord and Tenant hereby mutually waive and release their respective rights of recovery against each other for any loss of its property (in excess of a deductible amount for each of Landlord and Tenant that is reasonable in light of the size and status of each of Landlord and Tenant and applicable market conditions) capable of being insured against by fire and extended coverage insurance or any insurance policy providing property damage coverage, whether carried or not. Each party shall apply to its insurer to obtain said waiver and obtain any special endorsement, if required by its insurer to evidence compliance with the aforementioned waiver, and shall bear the cost therefor.
- 1.18 LIABILITY:** In Section 15.1 of the General Provisions hereof, in the fourth line, after 'Demised Premises' delete the period and insert "unless caused by or due to the fault or negligence of Landlord, its agents or employees." and delete the remainder of the paragraph.
- 1.19 SUBORDINATION:** In Section 20.1 of the General Provisions hereof, in the fifth line, delete 'promptly any' and substitute "within thirty (30) days of receipt of a certificate, in a form reasonably acceptable to Tenant, execute such certificate".
- 1.20 NON-APPROPRIATION:** (a) Notwithstanding any other term or condition of this Lease, all of Tenant's obligations under this Lease are subject to appropriation of funds by the County Board of Arlington County, Virginia for the specific purpose of satisfying the payment and performance of such obligations. In the event that funds are not appropriated at the beginning of any Tenant's fiscal year for the specific purpose of satisfying the obligations of the Tenant under this Lease, then this Lease shall become null and void and shall terminate on the last day of the Tenant's fiscal year for which appropriations were received for such purpose, without any termination fee or other liability whatsoever to the Tenant. If funds for the Tenant's obligations under this Lease are not appropriated, then the Tenant shall vacate the Demised Premises prior to the beginning of the Tenant's next fiscal year.
- (b) It is agreed by both Landlord and Tenant that, notwithstanding any provision in this Lease to the contrary, this clause shall supersede any and all obligations imposed by any other provision of this Lease or the Exhibits or any Addenda hereto. No subsequent Amendment of, or Addendum to, this Lease shall compromise the full legal implication of this Section between the Parties hereto or their respective successors or assigns.

1.21 GENERAL PROVISIONS:

The attached General Provisions, revised as described above, are incorporated into this Lease.

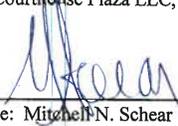
IN WITNESS WHEREOF, Landlord has caused these presents to be signed by one or more of its general partners or Trustees, and the Tenant has caused these presents to be signed in its legal name by its duly authorized officer and duly witnessed.

WITNESS FOR LANDLORD:

LANDLORD: VNO COURTHOUSE I LLC

By: CESC One Courthouse Plaza LLC, its Sole Member



By:  (SEAL)

Name: Mitchell N. Schear
Title: Executive Vice President
Date: April 23, 2012

WITNESS FOR TENANT:

TENANT: THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body politic

By: _____ (SEAL)

Name: _____
Title: _____
Date: _____, 2012

Approved as to form:

County Attorney

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**STORAGE SPACE DEED OF LEASE
GENERAL PROVISIONS**

2. USE OF DEMISED PREMISES

2.1 Tenant shall use and occupy the Demised Premises for storage of office files, supplies, equipment, furniture and furniture systems components and for no other purpose whatsoever without the prior written consent of Landlord which may be withheld in Landlord's sole and absolute discretion. Further, any other use of the Demised Premises shall be deemed a default under this Lease and shall immediately terminate this Lease.

3. UPKEEP OF DEMISED PREMISES

3.1 Tenant agrees that it will keep the Demised Premises and the fixtures therein in good order and condition, and will, at the expiration or other termination of the Term of Lease, surrender and deliver up the same in like good order and condition as on the Lease Commencement Date of the Term of Lease, ordinary wear and tear, and damage by the elements, fire and other casualty not caused by the gross negligence or willful misconduct of Tenant excepted.

4. SUBLETTING AND ASSIGNMENT

4.1 Tenant shall not sublet the Demised Premises or any part thereof nor transfer possession or occupancy thereof to any person, firm, entity or corporation nor transfer or assign this Lease without the prior written consent of Landlord, which consent shall be in Landlord's sole discretion to give or withhold.

5. INSURANCE, INDEMNITY AND LIABILITY

5.1 Tenant Insurance.

(a) **Liability Insurance.** During the Lease Term, Tenant at its sole cost shall maintain commercial general liability and property damage insurance which includes coverage for personal injury and death, property damage, advertising injury, completed operations and products coverage, and shall further maintain comprehensive automobile liability insurance covering automobiles owned by Tenant, with at least a single combined liability and property damage limit of \$1,000,000.00 insuring against all liability of Tenant and its authorized representatives arising out of or in connection with Tenant's use or occupancy of the Demised Premises and the business conducted therein. Landlord and Landlord's Agent shall be named as additional insureds on all purchased insurance policies required by this Section 5. All public liability insurance and property damage insurance shall insure Landlord and Landlord's Agent with coverage no less in scope than that necessary to meet Tenant's obligations outlined in the indemnity provisions set forth elsewhere in this Lease. The policy shall contain an assumed contractual liability endorsement that refers expressly to this Lease.

(b) **Property Insurance.** During the Term, Tenant, at its cost, shall maintain fire and extended coverage insurance on all special or above building standard work and all other contents of the Demised Premises in an amount sufficient so that no coinsurance penalty will be applied in case of loss.

(c) **Policy Requirements.** All insurance required under this Lease shall be issued by insurance companies authorized to do business in the jurisdiction where the Building is located. Such companies shall have a policyholder rating of at least "A" and be assigned a financial size category of at least "Class X" as rated in the most recent edition of "Best's Key Rating Guide" for insurance companies. If at any time during the Lease Term the rating of any of Tenant's insurance carriers is reduced below the rating required pursuant to the terms hereof, Tenant shall promptly replace the insurance coverage(s) maintained with such carrier with coverage(s) from a carrier whose rating complies with the foregoing requirements. If the Best's Key Rating Guide is discontinued or revised without substitution of a comparable rating system, Landlord shall reasonably determine its satisfaction with the insurance company issuing Tenant's policies. Each policy shall contain an endorsement requiring fifteen (15) days written notice from the insurance company to Landlord before cancellation or any change decreasing coverage, scope or amount of such policy and an endorsement naming Landlord and Landlord's Agent as additional insureds. Each policy, or a certified copy of the policy, and a certificate showing it is in effect, together with evidence of payment of premiums, shall be deposited with Landlord at the commencement of the Lease Term and thereafter upon any policy changes or substitutions, and renewal certificates and copies of renewal policies shall be delivered to Landlord at least ten (10) days prior to the expiration date of any policy.

(d) **Business Interruption.** Landlord, Landlord's Agent, and their respective agents and employees shall have no liability or responsibility for any loss, cost, damage or expense arising out of or due to any interruption of business (regardless of the cause therefore), increased or additional cost of operation of business or other costs or expenses, whether similar or dissimilar, which are capable of being insured against under business interruption insurance, whether or not carried by Tenant.

(e) **Waiver of Subrogation.** Reference is made to the provisions set forth in Section 1.17 above.

(f) **Self-Insurance.** Notwithstanding anything to the contrary, in order to comply with this Section or other provisions of this Lease requiring Tenant to provide insurance coverage, Tenant shall have the right to self-insure as to all or any portion of the insurance coverage or coverages which would otherwise have been required by a third party insurance carrier. If Tenant does not self-insure, then copies and certificates of said policies with evidence of premiums paid shall be delivered to Landlord on the Lease Commencement Date, and renewal certificates shall be delivered to Landlord at least ten (10) days before expiration of any such policy. Each such policy shall require at least fifteen (15) days' prior written notice to all named insureds for any cancellation or amendment thereof to be effective.

(g) **Increases in Coverage.** Tenant shall increase its insurance coverage as required if in the reasonable written opinion of the mortgagee on the Building, Landlord or Landlord's insurance agent such insurance coverage at that time is not adequate.

(h) Tenant will require, prior to commencement of any permitted alterations or other work, that every contractor doing such work obtain and keep in force during performance of the work, comprehensive general liability and Workmen's Compensation coverage on every contractor to be employed. The coverage limits shall be reasonably satisfactory to Landlord. The policies shall be non-cancelable without ten (10) days notice to Landlord. Before commencement of any such work, Tenant shall deliver certificates to Landlord showing such insurance to be in effect.

(i) Tenant will carry insurance covering all of the fixturing items included in its store finish plans, all other improvements, trade fixtures and personal property from time to time in, on or upon the Demised Premises and any alterations, improvements, additions or changes made by Tenant, in an amount not less than one hundred percent (100%) of their full replacement cost, providing protection against perils included within the standard Virginia form of fire and extended coverage insurance policy, together with insurance against sprinkler damage, vandalism, and plate glass insurance.

(j) Notwithstanding the fact that any liability of Tenant to Landlord may be covered by Tenant's insurance, Tenant's liability shall in no way be limited by the amount of its insurance recovery or the amount of insurance in force or required by any provisions of this Lease.

(k) Notwithstanding anything to the contrary, in order to comply with Section 5 or other provisions of this Lease requiring Tenant to provide insurance coverage, Tenant shall have the right to self-insure as to all or any portion of the insurance coverage or coverages which would otherwise have been required by a third party insurance carrier.

5.2 Landlord's Insurance. Landlord shall maintain, during the Term of this Lease, property and commercial general liability insurance covering the Building. The property insurance shall include fire and extended coverage insurance, covering all structures and improvements. The commercial general liability insurance shall insure against claims for bodily injury and property damage occurring in or about the Building, and shall provide total coverage of types and amounts commensurate with the insurance coverages maintained from time to time by institutional owners of similar buildings in the metropolitan Washington, D.C. area. Such insurance may be blanketed with other insurance carried by Landlord so long as such blanketing with other insurance does not reduce the amount of insurance available to pay any claim with respect to the Building.

Tenant, its officers, elected and appointed officials, and employees are to be named as additional insureds under all coverages maintained by Landlord hereunder except Workers' Compensation, Professional Liability, and Automobile Liability, and the certificate of insurance, or the certified policy must so state. Coverage afforded under this Section shall be primary as respects the Tenant, its elected and appointed officials, agents and employees. The following definition of the term "Tenant" applies to all policies issued under this Lease:

"The County Board of Arlington County, Virginia and any affiliated or subsidiary Board, Authority, Committee, or Independent Agency (including those newly constituted), provided that such affiliated or subsidiary Board, Authority, Committee, or Independent Agency is either a Body corporate created by the County Board of Arlington County, Virginia, or one in which controlling interest is vested in Arlington County; and Arlington County Constitutional Officers."

Landlord shall provide Tenant with a certificate of insurance evidencing the coverages required by this Section within thirty (30) days after the date of this Lease and thereafter on an annual basis during the Term.

5.3 Builder's Risk Insurance. During the term of any contract relating to alteration or installation of Tenant's property or equipment in the Demised Premises and subsequent alterations, each party shall require each of their contractor(s), if any, to maintain in force, at the contractor's own expense, Builder's Risk Insurance on an all risks basis, covering all fixtures, materials, supplies, machinery and equipment to be used in, or incidental to, the construction. The policy shall include an occupancy clause granting occupancy of the project insured for the purpose it was intended and list Landlord as loss payee.

5.4 Incident Reports. Tenant shall promptly report to Landlord's Agent all accidents and incidents, about which Tenant becomes aware, occurring on or about the Demised Premises, the Building and/or the Complex which involve or relate to the security and safety of persons and/or property.

6. ALTERATIONS

6.1 Tenant shall not make any alterations, changes, replacements, additions or improvements (structural or otherwise) in or to the Demised Premises or any part thereof, without the prior written consent of Landlord. Any alterations which change the use of the Demised Premises shall be deemed to be a default under this Lease and shall serve to immediately terminate this Lease.

6.2 It is distinctly understood and agreed that all alterations, installations, changes, replacements, additions to or improvements made by Tenant upon the Demised Premises (whether with or without the Landlord's consent) shall at the election of Landlord remain upon the Demised Premises and be surrendered with the Demised Premises at the expiration or earlier termination of this Lease without disturbance, molestation or injury. Should Landlord elect that alterations, installations, changes, replacements, additions to or improvements made by Tenant upon the Demised Premises be removed upon expiration or earlier termination of this Lease, Tenant hereby agrees that Landlord shall have the right to cause same to be removed at Tenant's sole cost and expense. Tenant hereby agrees to reimburse Landlord for the cost of such removal together with the cost of restoring the Demised Premises to its original condition as of the Lease Commencement Date.

7. TENANT'S AGREEMENT

7.1 Landlord shall have the right to prescribe the weight and method of installation and position of safes or other heavy fixtures or equipment and Tenant shall not install in the Demised Premises any fixtures, equipment or machinery that will place a load upon any floor exceeding the floor load per square foot area which such floor was designed to carry; that all damage done to the Building by taking in or removing a safe or any other article of Tenant's office equipment, or due to its being in the Demised Premises, shall be repaired at the sole expense of Tenant. No freight, furniture or other bulky matter of any description will be received into the Building or carried in the elevators, except as approved by Landlord. All substantial moving of furniture, material and equipment shall be under the supervision of Landlord, who shall, however, not be responsible for any damage to or changes for moving same. Tenant agrees promptly to remove from the public area adjacent to or in the Building any of Tenant's property there delivered or deposited.

8. ELECTRICAL EQUIPMENT

8.1 Tenant shall not install or operate in the Demised Premises any electrically operated equipment or other machinery, nor shall Tenant install any other equipment of any kind or nature whatsoever which shall or may necessitate any changes, replacements or additions to or require the use of the water system, plumbing system, heating system, air conditioning system or the electrical system of the Demised Premises without the prior written consent of Landlord. All electrical equipment in the Demised Premises shall be metered at the Tenant's sole expense and all consumption shall be billed to and paid by the Tenant. Notwithstanding the foregoing, Tenant shall have the right to locate and operate one (1) non-fixture de-humidifier in the Demised Premises, subject to plans and specifications approved by Landlord. Such de-humidifier shall be able to operate off of a 120 Volt wall electrical outlet and shall drain to the existing floor drain in the Demised Premises. The installation of an electric meter or any additional charge for electrical usage shall not be required. Tenant shall have the right to remove such de-humidifier from the Demised Premises at its discretion.

9. TENANT EQUIPMENT

9.1 Maintenance and repair of equipment such as special air-conditioning equipment, plumbing fixtures or any other type of special equipment together with related plumbing or electrical services, whether installed by Tenant or by Landlord on behalf of Tenant, shall be the sole responsibility of Tenant and Landlord shall have no obligation in connection therewith. All such equipment shall be metered at the Tenant's sole expense and all utility consumption shall be billed to and paid by the Tenant.

10. ACCESS

10.1 Tenant further agrees that it shall allow Landlord, its agents, employees or contractors to enter the Demised Premises at all reasonable times upon reasonable prior written notice (except in the event of an emergency when no written notice shall be required; provided, however, verbal notice to Tenant shall be promptly provided after Landlord learns of the emergency, by calling Tenant's Hotline telephone number, which number currently is (703) 228-4422. Tenant may, from time to time, designate a new Hotline phone number for emergency access to the Demised Premises by written notice to Landlord) to examine, inspect or to protect the same or prevented damage or injury to the same, or to make such alterations and repairs to the Demised Premises or other premises as Landlord may deem necessary.

11. ILLEGAL USE

11.1 Tenant shall not use or permit the Demised Premises or any part thereof to be used for any disorderly, unlawful or extra hazardous purpose nor for any other purpose than hereinbefore specified; and shall not manufacture any commodity therein.

12. RULES AND REGULATIONS

12.1 Tenant covenants that the following rules and regulations, and such other and further reasonable rules and regulations as the Landlord may make from time to time and which in the Landlord's judgment are necessary for the general well being, safety, care and cleanliness of the Demised Premises and the Building of which they are a part together with their appurtenances, shall be faithfully kept, observed and performed by Tenant, by its agents, servants, employees and guests unless waived in writing by Landlord. Landlord may revise the established written rules and regulations from time to time; provided, however, newly established rules and regulations shall not interfere with the intended use of the Demised Premises and shall not be inconsistent with the terms of this Lease.

(a) The sidewalks, entries, passages, elevators, public corridors and staircases and other parts of the Building which are not occupied by Tenant shall not be obstructed or used for any other purpose than ingress or egress.

(b) Tenant shall not install or permit the installation of any awnings, shades or the like.

(c) No additional locks shall be placed upon any doors of the Demised Premises and the doors leading to the corridors or main halls shall be kept closed during business hours except as they may be used for ingress or egress.

(d) Tenant shall not construct, maintain, use or operate within said Demised Premises or elsewhere in the Building of which the Demised Premises form a part or on the outside of the Building, any equipment or machinery which produces music, sound or noise which is audible beyond the Demised Premises.

(e) Electric and telephone distribution boxes must remain accessible at all times.

(f) Bicycles, motor scooters or any other type of vehicle shall not be brought into the lobby or elevators of the Building and no vehicle of any type, other than bicycles, shall be brought into the Demised Premises, except as provided in the following sentence: Tenant may bring electric powered vehicles into the Demised Premises and store such electric powered vehicles in the Demised Premises provided that such vehicles: (i) must be solely powered by electricity; (ii) must not be capable of leaking motor oil; and (iii) may be not re-charged in the Demised Premises.

(g) Keeping any type of animal or pet within the Demised Premises or anywhere in the Building is not permitted at any time.

13. DAMAGE

13.1 Subject to the terms of Section 1.17 above, all injury to the Demised Premises or the Building of which they are a part, caused by moving the property of Tenant into or out of the Building and all breakage done by Tenant, or the agents, servants, employees and visitors of Tenant shall be repaired by Landlord at the expense of Tenant. It shall be the right of Landlord, in its discretion, to regard the same as additional rent, in which event such cost or charges shall become additional rent payable with the installment of base monthly rent next becoming due. This provision shall be construed as an additional remedy granted to the Landlord and not in limitation of any other rights and remedies which Landlord has or may have in said circumstances.

14. PERSONAL PROPERTY

14.1 All personal property of the Tenant in the Demised Premises or in the Building shall be at the sole risk of Tenant. Landlord shall not be liable for any accident or damage to property of Tenant resulting from the use or operation of elevators or of the heating, cooling, electrical or plumbing apparatus. Landlord shall not, in any event, be liable for damages to property resulting from water, steam or other causes. Tenant hereby expressly releases Landlord from any and all liability incurred or claimed by reason of damage to Tenant's property, except to the extent of any loss or damage caused directly by the negligence or willful misconduct of Landlord or any of its agents, employees or contractors. Landlord shall not be liable for damages, nor shall this Lease be affected for conditions arising or resulting from and which may affect the Building of which the Demised Premises are a part, due to construction on contiguous premises.

15. LIABILITY AND INSURANCE

15.1 Landlord assumes no liability or responsibility whatsoever with respect to use or occupancy of the Demised Premises. Landlord shall not be liable for any accident to or injury to any person or persons or property in or about the Demised Premises which are caused by such use or occupancy or by virtue of equipment or property of the Tenant in said Demised Premises.

16. SERVICES

16.1 Landlord shall furnish reasonably adequate electric current for the intended use of the Demised Premises and automatically operated elevator services, all without additional cost to Tenant; provided, however, that Landlord shall not be liable for failure to furnish, or for suspension or delays in furnishing any of such services caused by the breakdown, maintenance or repair work or strike, riot, civil commotion, or any cause or reason whatsoever beyond the control of Landlord.

17. BANKRUPTCY

17.1 **Failure to Provide Adequate Assurance.** In the event that Tenant files for bankruptcy protection and is unable to (a) cure its default(s), (b) reimburse the Landlord for its monetary damages, or (c) pay the rent due under this Lease, or any other payments required to be paid by Tenant under this Lease, on time (or within five (5) days of the due date), then Tenant agrees in advance that it has not met its burden to provide adequate assurance of future performance, and this Lease may be terminated by Landlord.

18. DEFAULTS & REMEDIES

18.1 If the Tenant fails to pay all of Tenant's rents due under this Lease, or any installments thereof as aforesaid, at the time the same shall become due and payable and/or any additional rent as herein provided although no demand shall have been made for the same and if such failure shall continue for more than five (5) business days after Tenant's receipt of a notice of default from Landlord specifying such failure; or if the Tenant shall violate or fail or neglect to keep and perform any of the covenants, conditions and agreements herein contained on the part of the Tenant to be kept and performed herein and if such failure shall continue for more than thirty (30) days after Tenant's receipt of a notice of default from Landlord specifying such failure, then, and in each and every such event from thenceforth, and at all times thereafter, at the option of the Landlord, the Tenant's right of possession shall thereupon cease and terminate and the Landlord shall be entitled to the possession of the Demised Premises and to re-enter the same without demand of rent or demand of possession of said premises and may forthwith proceed to recover possession of the Demised Premises by process of law; and, in the event of such re-entry by process of law or otherwise, the Tenant nevertheless agrees to remain liable for any and all damages, deficiency or loss of rent which the Landlord may sustain by such re-entry. Tenant acknowledges that its receipt of a notice of default from Landlord specifying a default under this Lease and its failure to cure such default within the applicable time period as provided for in the immediately foregoing sentence, shall constitute Tenant's receipt from Landlord of a notice to quit or notice of intention to re-enter the Demised Premises. If a seven (7) days summons or other applicable summary process shall be served, and compromise or settlement therefor shall be made, it shall not constitute a waiver of any covenant, condition or agreement itself, or of any subsequent breach thereof. No provision of this Lease shall be deemed to have been waived by Landlord unless such waiver shall be in writing signed by Landlord.

18.2 Should this Lease be terminated before the Expiration Date by reason of Tenant's default as provided in this Section 18, or if Tenant shall abandon the Demised Premises before the Expiration Date of this Lease, the Demised Premises may be relet by Landlord and, if the full rental reserved under this Lease (and any of the costs, expenses or damages indicated below) shall not be realized by Landlord, Tenant shall be liable for all damages sustained by Landlord, including, without limitation, deficiency in rent, brokerage fees, and expenses of placing the Demised Premises in rentable condition. Landlord, in putting the Demised Premises in good order or preparing the same for re-rental may, at Landlord's option, make such alterations, repairs, or replacements in the Demised Premises as Landlord, in Landlord's reasonable judgment, considers advisable and necessary for the purpose of re-letting the Demised Premises, and the making of such alterations, repairs, or replacements shall not operate or be construed to release Tenant from liability hereunder as aforesaid. Landlord shall in no event be liable in any way whatsoever for failure to re-let the Demised Premises, or in the event that that Demised Premises are re-let, for failure to collect the rent thereof under such re-letting, and in no event shall Tenant be entitled to receive any excess, if any, of such net rent collected over the sums payable by Tenant to Landlord hereunder.

18.3 Any damage or loss of rent sustained by Landlord may be recovered by Landlord, at Landlord's option, at the time of the re-letting, or in separate actions, from time to time, as said damage shall have been made more easily ascertainable by successive re-lettings, or, in a single proceeding deferred until the Expiration Date (in which event Tenant hereby agrees that the cause of action shall not be deemed to have accrued until the Expiration Date or in a single proceeding prior to either the time of re-letting or the Expiration Date, in which event Tenant agrees to pay Landlord the difference, if any, by which the present value of the rent reserved under this Lease on the date of breach, discounted at eight percent (8%) per annum, exceeds the fair market rent for the Demised Premises on the date of breach for the period from the date of termination through the Expiration Date. In the event Tenant becomes the subject debtor in a case under the Bankruptcy Code, the provisions of this Paragraph 18.3 may be limited by the limitations of the damage provisions of the Bankruptcy Code.

18.4 No payment by Tenant or receipt by Landlord of a lesser amount than the base monthly rent installments or other charges herein stipulated shall be deemed to be other than on account of the earliest unpaid stipulated rent nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and the Landlord may accept such check or payment without prejudice to the Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

18.5 Landlord shall not be, nor shall it be deemed to be, in default under this Lease unless Landlord fails to perform any of its obligations or breaches any of its covenants contained in this Lease and said failure or breach continues for a period of thirty (30) days after written notice from Tenant to Landlord (or such reasonable additional period of time as is necessary to cure the default if the alleged default is not reasonably capable of cure within the thirty (30) day period and Landlord commences and continues diligently to cure said default within the thirty (30) day period). Upon the occurrence of a Landlord default under this Lease, Tenant shall have all of the rights and remedies available to it at law and equity, including without limitation, the right to terminate this Lease.

19. DAMAGE BY FIRE OR OTHER CASUALTY

19.1 In the event of damage or destruction of the Demised Premises or a portion thereof by fire or any other casualty, this Lease shall not be terminated, but the Demised Premises shall be promptly and fully repaired and restored as the case may be by the Landlord at its own cost and expense. Due allowance, however, shall be given for reasonable time required for adjustment and settlement of insurance claims, and for such other delays as may result from government restrictions, and controls on construction, if any, and for strikes, national emergencies and other conditions beyond the control of the Landlord. It is agreed that in any of the aforesaid events, this Lease shall continue in full force and effect, but if the condition is such so as to make the entire Demised Premises untenable in the Landlord's commercially reasonable opinion, then the base monthly rent which the Tenant is obligated to pay hereunder shall abate as of the date of the occurrence until the Demised Premises have been fully and completely restored by the Landlord. Any unpaid or prepaid rent for the month in which said condition occurs shall be prorated. If the Demised Premises are partly damaged or destroyed, then during the period that Tenant is deprived of the use of the damaged portion of said Demised Premises, Tenant shall be required to pay base monthly rent covering only that part of the Demised Premises that it is able to occupy, based on that portion of the total rent which the amount of square foot area remaining that can be occupied bears to the total square foot area of all the Demised Premises covered by this Lease. In the event the Demised Premises are substantially or totally destroyed by fire or other casualty so as to be entirely untenable and it shall require more than ninety (90) days for the Landlord to commence restoration of same, then either party hereto, upon thirty (30) days prior written notice to the other party, may terminate this Lease, in which case the rent shall be apportioned and paid through the date of said fire or casualty. No compensation, or claims, or diminution of rent shall be allowed or paid, by Landlord, by reason of inconvenience, annoyance, or injury to business, arising from the necessity of repairing the Demised Premises or any portion of the Building of which they are a part, however the necessity may occur.

20. SUBORDINATION

20.1 This Lease is subject and subordinate to all ground or underlying leases and to all mortgages and/or deeds of trust which may now hereafter affect such leases or the real property of which the Demised Premises form a part, and to all renewals, modifications, consolidations, replacements and extensions thereof. This subordination clause shall be self-operative and no further instrument of subordination shall be required by any mortgage or trustee. In confirmation of such subordination, Tenant shall execute promptly any certificate that the Landlord may request. Provided, however, that notwithstanding the foregoing, the party secured by any such deed of trust shall have the right to recognize this Lease and, in the event of any foreclosure sale under such deed of trust, this Lease shall continue in full force and effect at the option of the party secured by such deed of trust or the purchaser under any such foreclosure sale; and the Tenant covenants and agrees that it will, at the written request of the party secured by any such deed of trust, execute, acknowledge and deliver any instrument that has for its purpose and effect the subordination of this Lease to the lien of said deed of trust. At the option of any mortgagee or landlord under any ground or underlying lease to which this Lease is now or may hereafter become subject or subordinate, Tenant agrees that neither the cancellation nor termination of such mortgage or ground or underlying lease shall by operation of law or otherwise, result in cancellation or termination of this Lease or the obligations of the tenant hereunder, and Tenant covenants and agrees to attorn to such mortgagee or landlord or to any successor to landlord's interest in such mortgage or ground or underlying lease, and in that event, this Lease shall continue as a direct Lease between the Tenant herein and such mortgagee or landlord or its successor; and, in any case, such mortgagee, landlord or successor under such ground or underlying lease shall not be bound by any prepayment on the part of Tenant of any rent for more than one month in advance, so that rent shall be payable under this Lease in accordance with its terms, from the date of the termination of the ground or underlying lease, as if such prepayment had not been made.

21. CONDEMNATION

21.1 Tenant agrees that if the said Demised Premises, or any part thereof, shall be taken or condemned for public or quasi-public use or purpose by any competent authority, Tenant shall have no claim against the Landlord; and shall not have any claim or right to any portion of the amount that may be awarded as damages or paid as a result of any such condemnation; and all rights of the Tenant to damages therefor, if any, are hereby assigned by the Tenant to the Landlord. Upon such condemnation or taking, the term of this Lease shall cease and terminate from the date of such governmental taking or condemnation, and the Tenant shall have no claim against the Landlord for the value of any unexpired term of this Lease.

22. SUCCESSORS

22.1 This Lease and the covenants and conditions herein contained shall inure to the benefit of and be binding upon Landlord, its successors and assigns, and shall be binding upon Tenant, and its successors and assigns. This Lease shall inure to the benefit of Tenant and only such assigns of Tenant to whom the assignment by Tenant has been consented to by Landlord. Nothing in this Section shall be deemed to require Landlord to give any such consent. In the event Landlord's interest herein shall be assigned from time to time (other than conditionally as additional security), Landlord shall be released of all further liability hereunder.

23. TENANT HOLDOVER

23.1 If the Tenant shall, with the knowledge and written consent of the Landlord obtained at least thirty (30) days prior to the Expiration Date, continue to remain in the Demised Premises after the Expiration Date, then in that event, Tenant shall, by virtue of this Lease become a month-to-month tenant at the base monthly rent then in effect commencing said month tenancy with the first day next after the Expiration Date; and Tenant shall give to the Landlord at least thirty (30) days' written notice of any intention to quit said Demised Premises, and Tenant shall be entitled to thirty (30) days' written notice to quit said Demised Premises, except in the event of nonpayment of rent in advance or of the breach of any other covenant by Tenant, in which event Tenant shall not be entitled to any notice to quit, the usual thirty (30) days' notice to quit being hereby expressly waived.

23.2 In the event that the Tenant without the consent of the Landlord, shall hold over after the Expiration Date, then the Landlord, at its option, may forthwith re-enter and take possession of said Demised Premises upon at least five (5) business days prior written notice to Tenant, without process, or by any legal process in force. Acceptance of rent by the Landlord subsequent to the Expiration Date shall not constitute consent to any holding over. The Landlord shall have the right to apply all payments received after the Expiration Date or any renewal thereof toward any other sums owed by Tenant to Landlord.

24. POSSESSION

24.1 If Landlord is unable to deliver possession of the Demised Premises on the Lease Commencement Date by reason of the holding over or retention of possession of any tenant or occupant, or if repairs, improvements or decoration of the Demised Premises, or of the Building are not completed, or for any other reason, Landlord shall not be subject to any liability for the failure to give possession on said date. Under such circumstances the rent reserved and covenanted to be paid herein shall not commence until the possession of Demised Premises is given or the Demised Premises are occupied by Tenant, whichever is earlier; provided, however any delay of the Lease Commencement Date, shall not extend the Term of the Lease day for day. If permission is given to Tenant to enter into the possession of the Demised Premises or to occupy premises other than the Demised Premises prior to the Lease Commencement Date, Tenant covenants and agrees that such occupancy shall be deemed to be under all the terms, covenants, conditions and provisions of this Lease.

25. OFAC COMPLIANCE

25.1 Tenant represents and warrants that: (a) Tenant is (i) not currently identified on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Assets Control, Department of the Treasury ("OFAC") and/or on any other similar list maintained by OFAC pursuant to any authorizing statute, executive order or regulation (collectively, the "List") and (ii) not a person or entity with whom a citizen of the United States is prohibited to engage in transactions by any trade embargo, economic sanction, or other prohibition of United States law, regulation, or Executive Order of the President of the United States; (b) none of the funds or other assets of Tenant constitute property of, or are beneficially owned, directly or indirectly, by any Embargoed Person (as hereinafter defined); (c) no Embargoed Person has any interest of any nature whatsoever in Tenant (whether directly or indirectly); and (d) none of the funds of Tenant have been derived from any unlawful activity with the result that the investment in Tenant is prohibited by law or that the Lease is in violation of law. The term "Embargoed Person" means any person, entity or government subject to trade restrictions under U.S. law, including but not limited to, the International Emergency Economic Powers Act, 50 U.S.C. §1701 *et seq.*, The Trading with the Enemy Act, 50 U.S.C. App. 1 *et seq.*, and any Executive Orders or regulations promulgated thereunder with the result that the investment in Tenant is prohibited by law or Tenant is in violation of law.

25.2 Tenant covenants and agrees: (a) to comply with all requirements of law relating to money laundering, anti-terrorism, trade embargos and economic sanctions, now or hereafter in effect; (b) to immediately notify Landlord in writing if any of the representations, warranties or covenants set forth in this paragraph or the preceding paragraph are no longer true or have been breached or if Tenant has a reasonable basis to believe that they may no longer be true or have been breached; (c) not to use funds from any "Prohibited Person" (for the purposes of this Section 25.2 (c) a "Prohibited Person" is a person whose assets are blocked or with whom transactions are otherwise restricted pursuant to the September 24, 2001 Executive Order Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism) to make any payment due to Landlord under the Lease; and (iv) at the request of Landlord, to provide such information as may be requested by Landlord to determine Tenant's compliance with the terms hereof.

25.3 Tenant hereby acknowledges and agrees that Tenant's inclusion on the List at any time during the Lease Term shall be a material default of this Lease; provided, however, Tenant shall have sixty (60) days following actual notice of its inclusion on the List to obtain written acknowledgement from OFAC (and provide a copy thereof to Landlord) that Tenant's inclusion on the List was erroneous, which acknowledgement may be in the form of a removal of Tenant's name from the List. Notwithstanding anything herein to the contrary, Tenant shall not permit the Demised Premises or any portion thereof to be used or occupied by any person or entity on the List or by any Embargoed Person (on a permanent, temporary or transient basis), and any such use or occupancy of the Demised Premises by any such person or entity shall be a material default of this Lease.

26. REIT LIMITATIONS

Notwithstanding any other provision of this Lease, neither Tenant nor any direct or indirect assignee or subtenant of Tenant may enter into any lease, sublease, license, concession or other agreement for use, occupancy or utilization of space in the Demised Premises which provides for a rental or other payment for such use, occupancy or utilization based in whole or in part on the net income or profits derived by any person from the property leased, occupied or utilized, or which would require the payment of any consideration which would not fall within the definition of "rents from real property", as that term is defined in Section 856(d) of the Internal Revenue Code of 1986, as amended.

27. HAZARDOUS MATERIALS

In addition to all of Tenant's obligations set forth herein, Tenant shall not use or permit the use of the Demised Premises for any activity involving, directly or indirectly, the use, generation, treatment, storage or disposal of any hazardous substance. For purposes of this Section 27, "hazardous substance" shall mean any (i) "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976, as amended from time to time, and regulations promulgated thereunder; (ii) "hazardous substance", as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended from time to time, and the regulations promulgated thereunder; and (iii) any substance, the presence of which on the Demised Premises is prohibited by any law similar to those set forth in this Section, including but not limited to asbestos, polychlorinated biphenyls (PCBs), petroleum products and lead-based paints.

28. NOTICE TO PARTIES

28.1 Addresses for Notices. All notices required or desired to be given hereunder by either party to the other shall be in writing and personally delivered or given by overnight express delivery service or by certified or registered mail (delivery and/or postage charges prepaid) and addressed as specified in Sections 1.11 and 1.12 above. Either party may, by like written notice, designate a new address to which such notices shall be directed.

28.2 Effective Date of Notice. Notices personally delivered shall be deemed effective upon delivery; notices sent by certified or registered mail shall be deemed effective upon the earlier of (i) the date of receipt or rejection by the addressee, or (ii) three (3) days following the date of mailing (excluding Sundays and holidays on which mail is not delivered by the United States Postal Service). Notwithstanding the foregoing, any notice pertaining to a change of address of a party shall be deemed effective only upon receipt or rejection by the party to whom such notice is sent.

29. ENTIRE AGREEMENT; MODIFICATION

This Lease and all exhibits incorporated herein by reference are intended by the Parties as a final expression of their agreement and a complete and exclusive statement of the terms thereof, all negotiations, considerations and representations between the Parties having been incorporated herein. No course of prior dealings between the Parties or their officers, partners, employees, agents or affiliates shall be relevant or admissible to supplement, explain or vary any of the terms of this Lease and the exhibits. Acceptance of, or acquiescence in, a course of performance rendered under this or any prior agreement between the Parties, their agents or their affiliates shall not be relevant or admissible to determine the meaning of any of the terms of this Lease and the exhibits. Tenant hereby acknowledges that Landlord, Landlord's agent and their respective agents and employees made no representations, warranties, understandings or agreements pertaining to the condition of the Building or the Demised Premises, or otherwise, which have induced Tenant to execute, or have been relied upon by Tenant in the execution of this Lease, other than those specifically set forth herein. This Lease can be modified only by a writing signed by both Parties hereto. The language of this Lease shall in all cases be construed as a whole and according to its fair meaning, and not strictly for or against either Landlord or Tenant. The interpretation or construction of this Lease shall be unaffected by any argument or claim, whether or not justified, that this Lease has been prepared, wholly or in substantial part, by or on behalf of Landlord or Tenant. Tenant acknowledges that it has had, or has had the opportunity to have, legal counsel of Tenant's choice to negotiate on behalf of (and/or explain to) Tenant the provisions of this Lease. Any consent or approval required or desired of Landlord, or any decision under this Lease committed to the discretion of Landlord hereunder, may be withheld, delayed, conditioned or exercised by Landlord in its sole, but reasonable discretion unless the provision of this Lease requiring such consent or approval, or decision under this Lease committed to the discretion of Landlord, expressly states that Landlord shall not withhold, delay, condition or exercise such consent, approval or discretion unreasonably.

30. INTENTIONALLY OMITTED

31. BINDING EFFECT OF LEASE

The submission of an unsigned copy of this document to Tenant for examination or signature shall not constitute an option, reservation or offer to lease space in the Building. This Lease shall become effective and binding only upon execution and delivery by both Landlord and Tenant, and shall be enforceable in accordance with its terms from and after the date (the "Effective Date") this Lease is fully executed and delivered by Landlord and Tenant.

32. FORCE MAJEURE

If Landlord is in any way delayed or prevented from performing any obligation due to fire, act of God, governmental act or failure to act, labor dispute, inability to procure materials or any cause beyond Landlord's reasonable control (whether similar or dissimilar to the foregoing named events), then the time for performance of such obligation shall be excused for the period of such delay or prevention and extended for a period equal to the period of such delay or prevention.

33. ROLE OF THE TENANT/TENANT DECISIONS; NO WAIVER

Landlord hereby acknowledges that Tenant has entered into this Lease in its role as tenant under this Lease and not as a governing authority. Accordingly, the Tenant's execution of this Lease shall neither constitute nor be deemed to be governmental approval for any actions or interests contemplated herein, including without limitation, for the construction of any alterations to the Demised Premises or the construction and occupancy of the Demised Premises, or for any other governmental approval or consent required to be obtained by Landlord; however, Tenant as a tenant shall not interfere with or block Landlord's efforts to obtain any such governmental approvals or consents. Whenever in this Lease Tenant is required to join in, consent, give its approval, or otherwise act under this Lease, it is understood that such obligations are meant to apply to the Tenant acting in its capacity as a tenant and not in its capacity as a governing authority. Further, Landlord hereby acknowledges that any and all decisions, determinations, consents, notifications or any other actions taken or to be taken by Tenant pursuant to this Lease, whether or not specifically contemplated hereunder, may be taken by the County Manager or by another Arlington County official or body pursuant to any means, mechanism or process as determined by Arlington County in its sole discretion, and Landlord shall have no right to question or challenge the propriety, authority or legality of any such Arlington County official or body, or means, mechanism or process by which any such decision, determination, consent, notification, or other action is taken or to be taken hereunder by Tenant. Notwithstanding the foregoing, nothing in this Lease shall be construed to waive any of Tenant's powers, rights or obligations as a governing authority or local governing body, whether or not affecting the Building or Demised Premises, including, but not limited to its police power, right to grant or deny permits, right to collect taxes or other fees, or any other power, right or obligation whatsoever.

34. SOVEREIGN IMMUNITY

Notwithstanding any other provisions of this Lease to the contrary, nothing in this Lease nor any action taken by Tenant pursuant to this Lease nor any document which arises out of this Lease shall constitute or be construed as a waiver of either the sovereign immunity or governmental immunity of the Tenant, or of its elected and appointed officials, officers and employees.

35. INDEMNIFICATION AND HOLD HARMLESS

Notwithstanding any other term or provision of this Lease to the contrary, Tenant shall have no obligation to explicitly or implicitly indemnify or hold harmless the Landlord or any third party or Parties from any liability whatsoever.

36. NO RIGHTS IN THIRD PARTIES

The Parties hereto mutually agree that no provision of this Lease shall create in the public, or in any person or entity other than those signing this Lease as Parties hereto, rights as a third party beneficiary hereunder, or authorize any person or entity, not a party hereto, to maintain any action for personal injury, property damage, or breach of contract pursuant to the terms of this Lease or otherwise.

37. RATIFICATION OF LEASE BY TENANT

This Lease shall not become effective unless and until the County Board approves this Lease. Such approval by the County Board shall be evidenced by the execution of this Lease by the Real Estate Bureau Chief or other person designated by the County Board. Upon the execution and delivery by Landlord of a Lease that is acceptable to the County Manager, he shall use reasonable efforts to promptly obtain the approval of the County Board to the Lease consistent with the County process for the review and submission of documents to the County Board for consideration. If this Lease is not approved by the County Board, as evidenced by the Real Estate Bureau Chief's execution hereof, within sixty (60) days after execution and delivery by Landlord, then it shall be null and void and no liability whatsoever shall accrue to Landlord or Tenant and Landlord and Tenant shall have no obligations whatsoever to each other.

38. TIME OF ESSENCE

Tenant acknowledges that time is of the essence in its performance of any and all obligations, terms and provisions of this Lease.

39. RELATIONSHIP OF LANDLORD AND TENANT

Nothing in this Lease shall be interpreted or construed as creating any partnership, joint venture, agency or any other relationship between the Parties, other than that of landlord and tenant.

40. LANDLORD'S RIGHT TO WITHDRAW OFFER

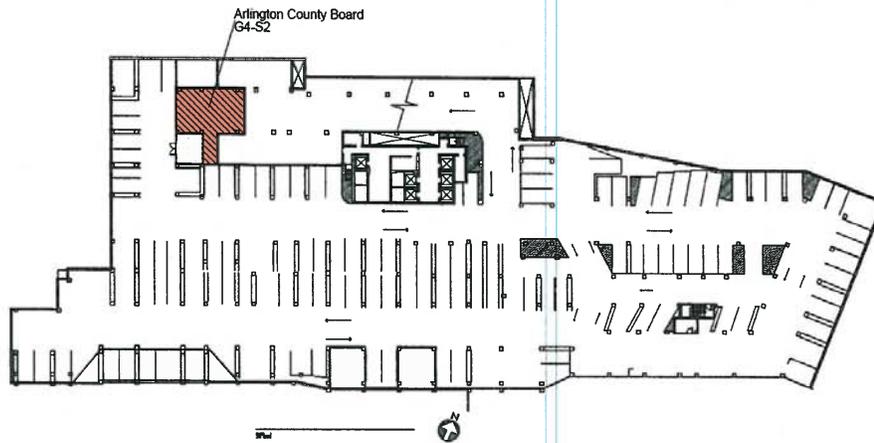
In the event that Tenant fails to sign and return a fully executed copy of this Lease to Landlord within Sixty (60) days following delivery by Landlord to Tenant of this Lease executed by Landlord, then Landlord shall have the right, but not the obligation, to withdraw the offer to lease represented by this Lease by providing a written notice of such withdrawal to Tenant, and in such event Landlord shall have no further obligation to Tenant hereunder. Landlord shall exercise the rights provided by this Section, if at all, prior to receipt of a fully executed copy of this Lease from Tenant.

EXHIBIT A-1
FLOOR PLAN OF THE DEMISED PREMISES

Courthouse Plaza I_2200 Clarendon Blvd (W148)

Floor: -4

Floorplan as of 1/9/2012



Storage Room G4-S2

**EXHIBIT B
CONFIRMATION AS TO EFFECTIVE DATE
AND
LEASE COMMENCEMENT DATE**

This Confirmation is attached to and made a part of the Office Building Storage Space Deed of Lease dated the ____ day of _____ 2012 (the "Lease"), entered into by and between VNO COURTHOUSE I LLC, a Delaware limited liability company, as Landlord, and THE COUNTY BOARD OF ARLINGTON COUNTY, VIRGINIA, a body politic, as Tenant.

Landlord and Tenant do hereby declare and evidence that, for purposes of the Lease, the Effective Date is confirmed as being _____, 2012, and the Lease Commencement Date is confirmed as being _____, 2012.

Landlord and Tenant have executed this Confirmation under seal as of the __ day of _____, 2012.

LANDLORD: VNO COURTHOUSE I LLC

By: CESC One Courthouse Plaza LLC, its Sole Member

By: _____ (SEAL)

Mitchell N. Schear
Executive Vice President
Date: _____

**TENANT: THE COUNTY BOARD OF ARLINGTON
COUNTY, VIRGINIA, a body politic**

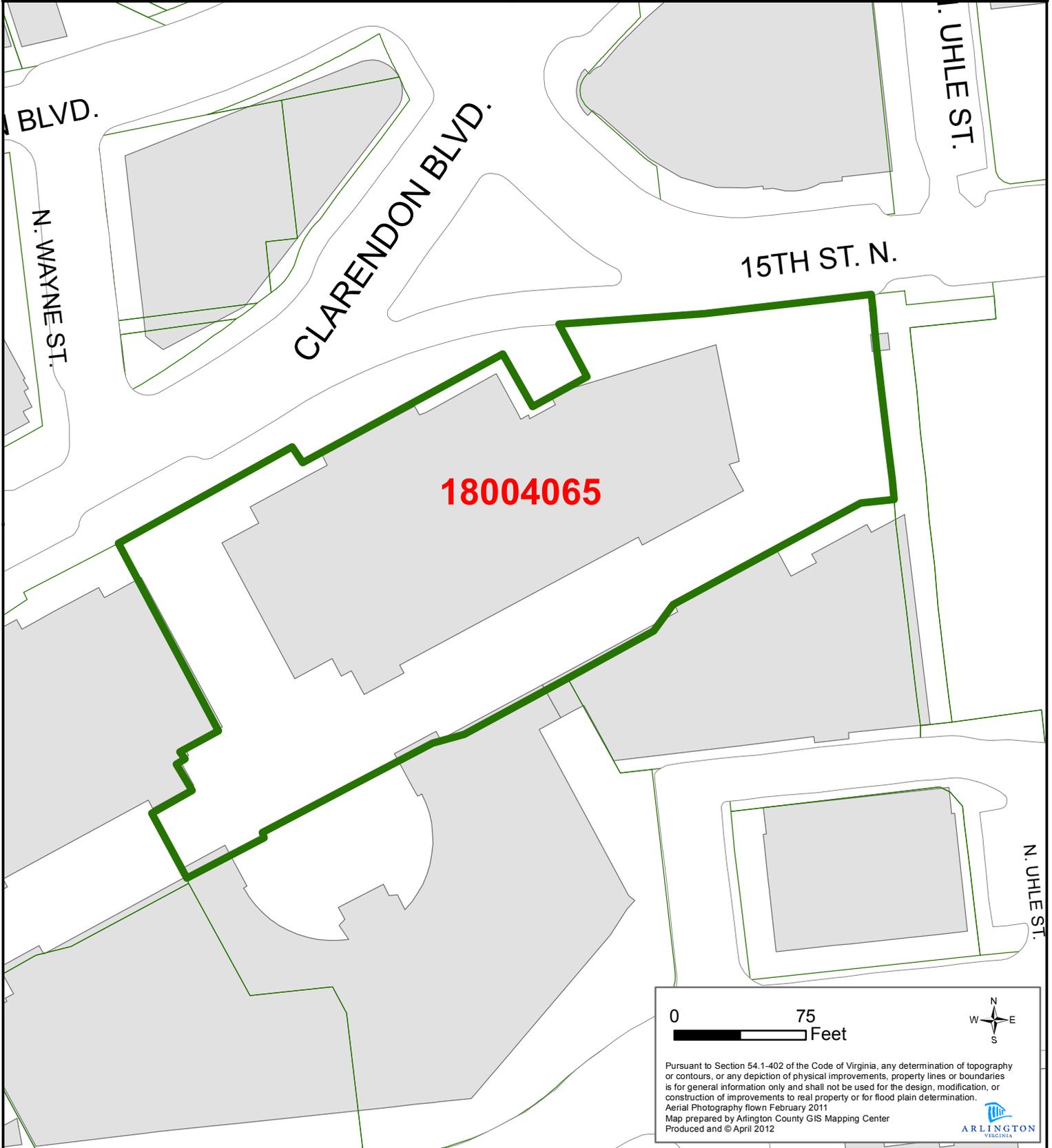
By: _____ (SEAL)

Name: _____
Title: _____
Date: _____

Approved as to form:

County Attorney

Vicinity Map
Exhibit B
G-4 Storage Space Lease
2200 Clarendon Blvd.
RPC #18004065



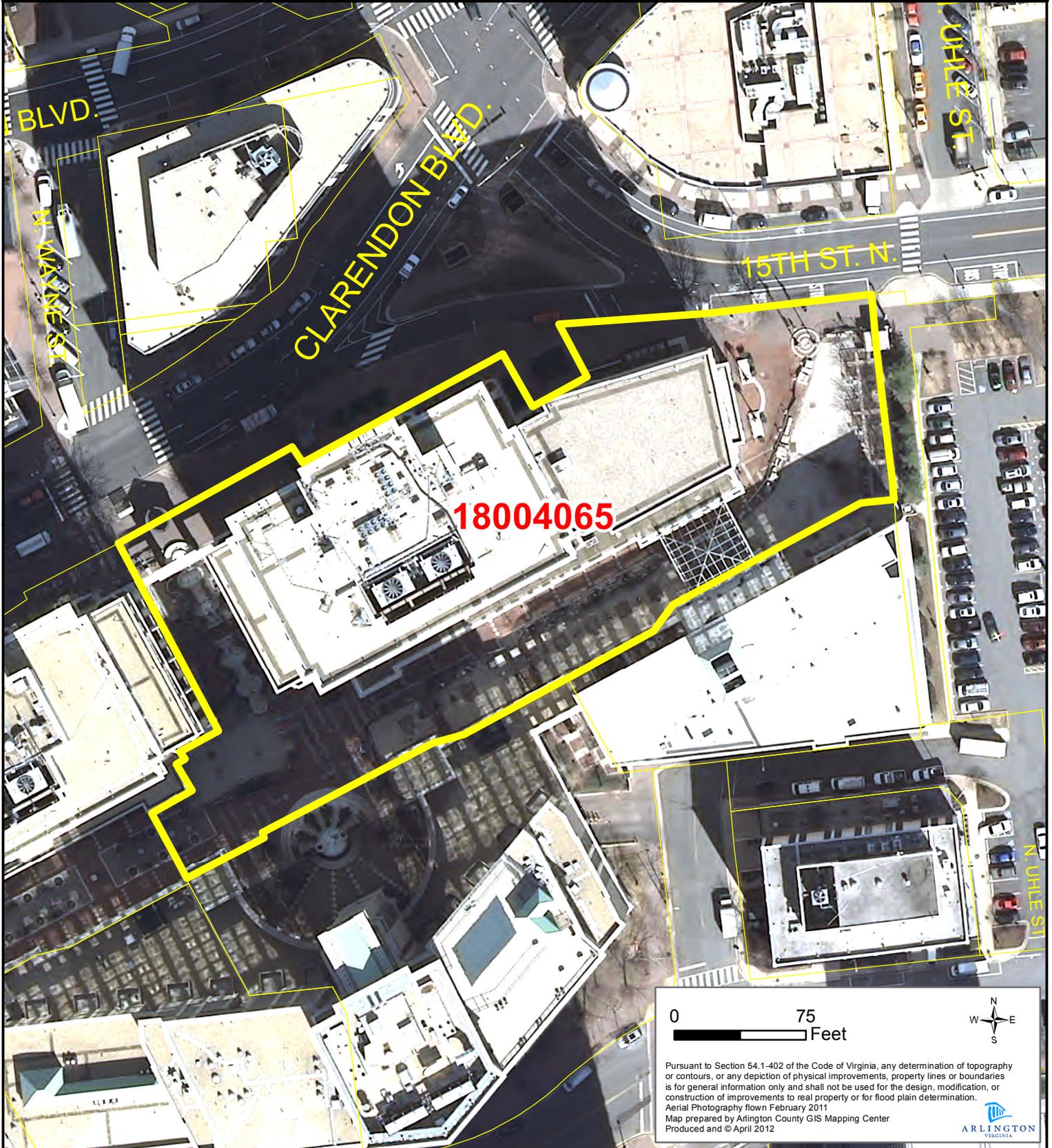
0 75 Feet



Pursuant to Section 54.1-402 of the Code of Virginia, any determination of topography or contours, or any depiction of physical improvements, property lines or boundaries is for general information only and shall not be used for the design, modification, or construction of improvements to real property or for flood plain determination.
Aerial Photography flown February 2011
Map prepared by Arlington County GIS Mapping Center
Produced and © April 2012



Vicinity Map
Exhibit B
G-4 Storage Space Lease
2200 Clarendon Blvd.
RPC #18004065



Vicinity Map
Exhibit B
G-4 Storage Space Lease
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