

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

(Short Form)

1. LEASE NUMBER Building ID
GS-02B-23798 NJ4660

2. NAME AND ADDRESS OF BUILDING (Include ZIP Code)

111 Herod Blvd.
South Brunswick, New Jersey 08810-1529

3. LOCATION(S) IN BUILDING

a. FLOOR(S)

1

b. ROOM NUMBER(S)

N/A

c. SQ. FT.

RENTABLE 256,390

ABOA 3,149

Industrial 249,736

Common Area Factor 1.01386

d. TYPE

☒ GENERAL OFFICE

☐ OTHER (Specify)

☒ WAREHOUSE

A. TERM

4. ~~To have and to hold, for the term commencing on March 13, 2011 and continuing through February 28th, 2015 inclusive. The Government may terminate this lease in whole or in part at any time on or after March 13, 2012, by giving at least 120 days notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

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(SEE PARAGRAPH THREE (3) OF THE RIDER TO THE LEASE)

B. RENTAL

5. Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

6. AMOUNT OF ANNUAL RENT
\$ 2,543,315.93

8. HVAC OVERTIME
RATE PER HOUR N/A

9. ELECTRONIC FUNDS TRANSFER PAYMENT SHALL BE MADE TO (Name and Address)

7. RATE PER MONTH
\$ 211,943.00

10a. NAME AND ADDRESS OF OWNER (Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.)
VSE Corporation, 2550 Huntington Avenue, Alexandria, Va 22303

10b. TELEPHONE NUMBER OF OWNER
703-960-4600, ext 4756

11. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING

☐ OWNER

☐ AUTHORIZED AGENT

☒ OTHER (Specify) LESSEE

12a. NAME OF OWNER OR AUTHORIZED AGENT (Type or Print)

Cathy S. Kilcoyne

12b. TITLE OF PERSON SIGNING

Director of Contracts

12c. SIGNATURE OF OWNER OR AUTHORIZED AGENT

Cathy S. Kilcoyne

12d. DATE

May 26, 2011

13. THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

14a. NAME OF CONTRACTING OFFICER (Type or Print)

Alfonso Yau

14b. SIGNATURE OF CONTRACTING OFFICER

Alfonso Yau

14c. DATE

June 9, 2011

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15. The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (the GOVERNMENT):

- a. Space offered must be in a quality building of sound and substantial construction meeting the Government's requirements for the intended use.
- b. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy for the intended use of the Government and shall meet, maintain, and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. If space is offered in a building to be constructed for lease to the Government, the building must be in compliance with the most recent edition of the building code, fire code, and ordinances adopted by the jurisdiction in which the building is located.
- c. Offered space shall meet or be upgraded to meet the applicable egress requirements in National Fire Protection Association (NFPA) 101, *Life Safety Code* or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government. Offered space located below-grade, including parking garage areas, and all areas referred to as "hazardous areas" (defined in NFPA 101) within the entire building (including non-Government areas), shall be protected by an automatic sprinkler system or an equivalent level of safety. Additional automatic fire sprinkler requirements will apply when offered space is located on or above the 6th floor. Unrestricted access to a minimum of two remote exits shall be provided on each floor of Government occupancy. Scissor stairs shall be counted as only one approved exit. Open-air exterior fire escapes will not be counted as an approved exit. Additional fire alarm system requirements will apply when offered space is located 2 or more stories in height above the lowest level of exit discharge.
- d. The Building and the leased space shall be accessible to persons with disabilities in accordance with appendices C and D of 36 CFR Part 1191 (ABA Chapters 1 and 2 and Chapters 3 through 10 of the ADA-ABA Accessibility Guidelines).
- e. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials and in compliance with applicable Federal, State, and local environmental laws and regulations.
- f. Services, utilities, and maintenance will be provided daily, extending from 7 a.m. to 6 p.m. except Saturday, Sunday, and Federal holidays. The Government shall have access to the leased space at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.
- g. ~~The Lessor shall complete any necessary alterations within _____ days after receipt of approved layout drawings. (INTENTIONALLY DELETED)~~
- h. The Offeror must have an active registration in the Central Contractor Registration (CCR) System (via the Internet at <http://www.ccr.gov>) prior to lease award and throughout the life of the lease. To remain active, the Lessor must update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR Registration. The Government will recognize no change of ownership of the leased premises until the new owner registers in the CCR system.

16. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

<input checked="" type="checkbox"/> HEAT	<input checked="" type="checkbox"/> TRASH REMOVAL	<input type="checkbox"/> ELEVATOR SERVICE	<input type="checkbox"/> INITIAL & REPLACEMENT	<input type="checkbox"/> OTHER
<input checked="" type="checkbox"/> ELECTRICITY	<input type="checkbox"/> CHILLED DRINKING WATER	<input type="checkbox"/> WINDOW WASHING	LAMPS, TUBES & BALLASTS	(Specify below)
<input type="checkbox"/> POWER (Special Equip.)	<input checked="" type="checkbox"/> AIR CONDITIONING	Frequency _____	<input type="checkbox"/> PAINTING FREQUENCY	_____
<input checked="" type="checkbox"/> WATER (Hot & Cold)	<input checked="" type="checkbox"/> TOILET SUPPLIES	<input type="checkbox"/> CARPET CLEANING	Space _____	
<input checked="" type="checkbox"/> SNOW REMOVAL	<input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP.	Frequency _____	Public Areas _____	

17. OTHER REQUIREMENTS

Offerors should also include the following with their offers:

~~"Exhibit A" attached hereto and made a part hereof (Tax Adjustment Clause);~~

~~"Exhibit B" attached hereto and made a part hereof (Operating Costs);~~

~~"Exhibit C" attached hereto and made a part hereof (GSA FORM 3517B - General Clauses);~~

~~"Exhibit D" attached hereto and made a part hereof (Indenture of Lease by and between Forsgate Industrial Complex, as Landlord, and VSE Corporation, as Tenant, dated as of March 13, 2008 for the premises more commonly known as 111 Herod Boulevard, South Brunswick, NJ.)~~

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18. NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

19. BASIS OF AWARD

- ☒ THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA-USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED."
- ☐ OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING:
- ☐ SIGNIFICANTLY MORE IMPORTANT THAN PRICE
 - ☐ APPROXIMATELY EQUAL TO PRICE
 - ☐ SIGNIFICANTLY LESS IMPORTANT THAN PRICE
 - ☐ (Listed in descending order, unless stated otherwise):

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Rider to Lease Number GS-02B-23798

1. The lease consists of the following attached documents: (a) GSA Form 3626 as modified, (b) Representations and Certifications, and (c) the following changes or additions made or agreed to by you:
 - A. This Rider to Lease Number GS-02B-23798 (the "Rider"), Paragraphs 1 through 13;
 - B. "Exhibit A" attached hereto and made a part hereof (Tax Adjustment Clause);
 - C. "Exhibit B" attached hereto and made a part hereof (Operating Costs);
 - D. "Exhibit C" attached hereto and made a part hereof (GSA FORM 3517B General Clauses);
 - E. "Exhibit D" attached hereto and made a part hereof (Indenture of Lease by and between Forsgate Industrial Complex, as Landlord, and VSE Corporation, as Tenant, dated as of March 13, 2008 for the premises more commonly known as 111 Herod Boulevard, South Brunswick, NJ.)
 - F. Floorplan of the Premises ("Exhibit E").
2. Wherever the words "Offeror", "Successful Offeror", "Lessee" appear in the Lease, they shall be deemed to mean "Lessor". Wherever the words "Solicitation", "Solicitation for Offers", "SFO", "Sublease", or "GSA Form 3626" appear in this Lease, they shall be deemed to mean "this Lease". Wherever the words "Space offered for lease" appear in this Lease they shall be deemed to mean the "leased premises", "demised premises", "premises", or "Premises". And wherever the word "Sub-Lessee" is used herein it shall be deemed to mean Government.
3. The Lessor hereby leases to the Government the following described premises:

256,390 Rentable Square Feet ("RSF") yielding 249,736 Usable Square Feet of Industrial Space ("Industrial USF") and 3,149 ANSI/BOMA Office Area Square Feet ("ABOA SF") for a total of 252,885 Usable Square Feet ("USF"), comprising the entire building known and designated as 111 Herod Boulevard, South Brunswick, New Jersey 08810-1529 as shown on the demising plan labeled Exhibit "E", attached hereto and made a part hereof. The space shall be taken as-is and the parties hereby covenant and agree that there are no Tenant Improvements ("TI") to be performed prior to the commencement of the Lease.
4. The term of this Lease shall commence on 12:00 AM Eastern Standard Time ("EST") on March 13th, 2011 ("Commencement Date") for the Premises currently occupied by the Treasury Executive Office for Asset Forfeiture ("TEOAF") and continue through 11:59 PM EST on February 28th, 2015. The Government has the right to cancel the Lease anytime after 11:59 PM EST on March 12th, 2012 upon one hundred and twenty (120) days written notification to the Lessor. Upon the Commencement Date, the parties hereto agree that the provisions of Contract TOS-11-C-001 by and between VSE Corporation and [REDACTED], dated September 28th, 2010 (the "Service Contract") governing those services and rental covered in this Lease shall terminate. The Lessor hereby agrees to reimburse [REDACTED] for any prorated rental costs and related services under this Lease for the duration of time between the Commencement Date and the date in Section 4c of GSA Form 3626 as modified (the "Award Date") that [REDACTED] remitted under the Service Contract within sixty (60) business days from the Award Date if any payment was made by [REDACTED] under the Service Contract. A copy of payment remittance crediting [REDACTED] and confirmation of reimbursement from [REDACTED] for any and all related services under this Lease from the Commencement Date to the Award Date shall be provided to the GSA Contracting Officer under this Lease. The Lessor agrees that failure to meet this provision shall result in, unless otherwise exempted in writing by the Government, a prorated deduction of the Base Rental represented in Paragraph Five (5) below for the period of time between the Commencement Date and the Award Date.
5. The Government shall pay the Lessor annual rental as follows:

\$9.92 per RSF for a total of **\$2,543,315.93 per annum** at a rate of **\$211,943.00 per month** in arrears. Rent for a lesser period shall be prorated. Such an amount represents the sum of base ("Shell") rent in the amount of \$8.02 per RSF or \$2,056,247.80 per annum and operating rent in the amount of \$1.90 per RSF or \$487,141.00 per annum. The operating rent portion of the rental consideration covers the cost of all services annotated in 16 of GSA Form 3626 as modified ("Services and Utilities") and represents the Base Cost of Services (BCOS) of \$1.93 per USF which is adjusted annually pursuant to Exhibit "B" of this Lease. In no event shall the Government be subject to any interest penalty associated with the Commencement Date occurring prior to the Award Date. Rental shall be made payable, via electronic funds transfer, to: [REDACTED]
6. For the purposes of Real Estate Tax Adjustments pursuant to Exhibit "A" of this Lease, the Government is deemed to occupy 100.00% of the Rentable area of the Building and the Base Tax Year for Real Estate Tax Adjustments is hereby included in the Shell rent and deemed to represent the period covering March 13th, 2010 through March 12th, 2011.
7. Services and Utilities are provided for a twenty-four (24) hour a day, seven (7) day a week period as part of the rental consideration pursuant to Paragraph 5 of this Rider.
8. Each employee of the Lessor and/or its contractor(s) employed in the operating of the Building shall be: (1) a citizen of the United States of America; (2) an alien who has been lawfully admitted for permanent residency as evidenced by Alien Registration Receipt Card For I-151; or (3) an alien who presents other information from the U.S. Citizenship and Immigration Services that employment will not effect his or her immigration status.

9. The Lessor shall not be reimbursed for any service(s) not provided for in the Lease including, but not limited to repairs and alterations nor would any rental shall be paid for occupancy in whole or in part except for the lease term specified in this Lease, unless approved in advance and in writing by a Contracting Officer or designated Contracting Officer's Representative ("COR") of the U.S. General Services Administration ("GSA"). The COR must have written concurrence by a Contracting Officer to render contract decisions for the Government.
10. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of federal agencies other than officers and employees of the GSA or personnel duly authorized in writing by a Contracting Officer employed by GSA.
11. Upon execution of this Lease by the Lessor and the Government, the provisions provided within Exhibit "D" shall continue to be in full force and effect under this Lease unless otherwise amended by GSA Form 3626 as modified, this Rider, Exhibits "A", "B", "C", "E", and GSA Form 3518. To the extent of any inconsistency between the terms of this Rider and those of this Lease's attachments, the terms and provisions in this Rider shall govern and control.
12. This Lease shall not be binding on either party until it has been executed by a duly authorized official of the Government. The Lessor and Government acknowledge that this Lease shall not be effective unless and until Forsgate Industrial Complex approves of this Lease.
13. If any term or provision of the Lease of application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease or the application thereof of such term or provision to persons or circumstances other than those as which it is held invalid or unenforceable shall not be effected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.

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