

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

August 25, 2011

LEASE NO.

GS-03B-LDE11347

THIS LEASE, made and entered into this date by and between CATO, Incorporated

1004 Parsons Road  
whose address is Salisbury, Maryland 21801-8431

and whose interest in the property hereinafter described is that of owner

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

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

2,981 Rentable Square Feet yielding approximately 2,850 ANSI/BOMA Office Area square feet and related space located at 1218 Forest Avenue, Dover, Delaware 19904-3311 to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on  
See Lease Rider Paragraph 14 through See Lease Rider Paragraph 14 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ See Lease Rider Paragraph 14  
at the rate of See Lease Rider Paragraph 14 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

"CATO, Incorporated  
1004 Parsons Road  
Salisbury, Maryland 21801-8431"

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5<sup>th</sup>) full year of occupancy by giving at least ninety (90) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

Initials:

MM & C  
LESSOR & GOV'T

SCANNED

PAGE

1

OF

100

- 6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
  - A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.
- 7. The following are attached and made a part hereof:
  - A. Rider to Lease GS-03B-11347, paragraphs 9-17
  - B. Section 1, Summary, Paragraphs 1.2, 1.3, 1.5, 1.6, 1.9, 1.11, 1.12, 1.13;
  - C. Section 2, Award Factors and Price Evaluation, Paragraph 2.3;
  - D. Section 3, How to Offer and Submittal Requirements, Paragraphs 3.2, 3.3, 3.5B, 3.5C, 3.6B, 3.7;
  - E. Section 4, Utilities, Services, and Lease Administration, Paragraphs 4.1 – 4.15;
  - F. Section 5, Design, Construction, and Other Post Award Activities, Paragraphs 5.1 – 5.12;
  - G. Section 6, General Architecture, Paragraphs 6.1 – 6.11;
  - H. Section 7, Architectural Finishes, Paragraphs 7.1 – 7.14;
  - I. Section 8, Mechanical, Electrical, Plumbing, Paragraphs 8.1 – 8.19;
  - J. Section 9, Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1 – 9.12;
  - K. Section 10, Lease Security Standards, Paragraphs 10.1-10.8, 10.11-10.20;
  - L. Solicitation for Offers (SFO) Amendment # 1
  - M. GSA Form 3517B, General Clauses;
  - N. GSA Form 3518, Representations and Certifications;
  - O. Exhibit A- Floor plan showing the Government's leased space.
  - P. Small Business Subcontracting Plan
- 8. The following changes were made in this lease prior to its execution: the following paragraphs were deleted in their entirety:
  - 1.1, 1.4, 1.7- 1.8, 1.10C-D, 2.1, 2.3, 3.1, 3.4, 3.5A, 3.6A, 10.9, 10.10

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR CATO, Incorporated

BY Michael A. Aburns Jr  
(Signature)

Po Box 1030 Salisbury Md 21803  
(Address)

IN PRESENCE OF: [Signature]  
(Signature)

[Redacted]  
(Address)

UNITED STATES OF AMERICA  
ACQUISITION BRANCH

GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE/REAL ESTATE

BY Carrie S. Veneberg  
(Signature)

Contracting Officer  
(Official title)

STANDARD FORM 2  
AUGUST 2009 EDITION

20090802

Initials: MA & CV  
LESSOR GOV'T

9. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to **74.525%** percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 2,981 rentable square feet by the total building space of 4,000 rentable square feet.

11. Common Area Factor

The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet (ABOA) to determine the rentable square feet is 4.5964912% (2,981 RSF/2,850 ABOA SF).

12. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$7.73 per (ROUNDED) ANSI/BOMA Office Area (ABOA) square foot is acceptable. This figure includes the Government's pro-rata share of operating costs.

MA  
a

13. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 60 working days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for ten (10) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Initials: MA & a  
LESSOR & GOV'T