

*Kohlhepp Copy*

TYSONS CORNER REGIONAL SHOPPING CENTER  
MCLEAN, VIRGINIA

Piedmont Realty Advisors  
1150 Connecticut Ave., NW, Suite 705  
Washington, D.C. 20036  
(202) 822-9000

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## I. INTRODUCTION

## MEMORANDUM

To: Bob  
From: Dan  
Date: March 6, 1987  
Subject: Dodge Site  
Tysons Corner, Virginia

This morning Gene Howerdd told me to pursue a deal on the above referenced property. He said it would not go through USF&G's Real Estate Investment Committee but would be handled out of a different account.

When I called Menard Doswell, Rouse & Associates, to explain that we would like to pursue the deal, he explained to me that Carl Pittman had told him that Gene Howerdd had closely looked at the deal and liked it, that Ron Hughes had closely looked at the deal and like it, that Jim Raley had closely looked at the deal and like it, and that it was a done deal. I told him that I doubted if anyone had closely looked at the deal and that it really was a done deal.

Doswell expressed concern about who would approve the deal and he was afraid that someone in Piedmont would kill it (Paragon revisited). He was particularly concerned because he had a contract to sell the property which he would need to reject to pursue a deal with us. I assured him that he was in a very risky position because I could give him no assurances and that I didn't know who eventually would approve the deal.

PIEDMONT REALTY ADVISORS

1150 CONNECTICUT AVENUE, N.W.

SUITE 705

WASHINGTON, D.C. 20036

202-822-9000

January 18, 1985

Real Estate Investment Committee Members  
United States Fidelity and  
Guaranty Company  
100 Light Street  
Baltimore, Maryland 21202

Re: Tysons Corner Regional Shopping Center  
Fairfax County, Virginia

Dear Sirs and Madam:

Enclosed for your review is an Investment Report on the Tysons Corner Regional Shopping Center, an existing, fully leased, 1,503,000 square foot shopping mall in Fairfax County, Virginia. Piedmont Realty Advisors intends to review the recommendations outlined in this report with the Real Estate Investment Committee on January 22, 1985. A summary of the proposed investment is presented as Exhibit I-1.

The Property - The 85 acre triangular site is bordered by the Capital Beltway (I-495) on the east, by Chain Bridge Road (Route 123) on the north, and by the Leesburg Pike (Route 7) on the south. These highways along with the nearby Dulles Tollway and the Dulles Access Extension to I-66 provide excellent accessibility throughout the Washington Metropolitan area. Direct access to the site is via two driveway entrances off Chain Bridge Road and two driveway entrances off the Leesburg Pike.

The site is fully improved with parking areas; a shopping mall anchored by Bloomingdales, Hecht's, and Woodward & Lothrop, and a free-standing retail building. The total net rentable area is 1,502,788 square feet. The mall is currently 99.8% occupied. The Center's sales volume has averaged 10.5% annual increases since 1979.

Currently only surface parking is provided. However, the existing zoning allows for a substantial increase in density if decked parking is provided. Consequently, a preliminary land plan has identified 23 acres for future expansion that would include a 240,000 square foot addition to the mall, 2 parking structures, a 250-room hotel, and 5 building sites. This expansion potential has not been quantified or included in the expected profitability measures.

Real Estate Investment Committee Members  
USF&G  
January 18, 1985  
Page Two

The Market - The subject property is in Fairfax County, the most prosperous and populous county in Virginia and an integral part of the Washington DC Metropolitan area. The Fairfax County population grew from 455,033 in 1970 to 649,690 in 1984 and is projected to reach 740,000 in the year 2000 when it will be the most populated county in the Washington DC area. Coincidentally, with the population increase, Fairfax County has enlarged its employment base adding 25,000 technical and research jobs, 2,263 trade jobs and 9,161 administrative jobs in the last ten years. Since Fairfax County approximates the Center's primary trade area, the future outlook is very positive.

The main competition will come from Fair Oaks Mall, a new 1.4 million square foot mall located in Western Fairfax County. Another major source of competition will come from Tysons II, a proposed 107 acre mixed use development that will be located just north of the subject on Chain Bridge Road. Tysons II will have an 870,000 square foot regional mall along with 3.03 million square feet of office and 720,000 square feet of hotel space. The successful development of Tysons II, in three or four years, with upper scale retail anchors should reduce the subject's performance in the short run and create a positive synergistic effect in the long run as it reinforces the Tysons Corner area as the premier shopping district in the Washington DC Metropolitan area.

The Partnership - The partnership that is purchasing the subject property is Lehndorff Tysons Property Joint Venture, a Virginia general partnership. Other general partners include General Motors Pension Plans, Alaska Permanent Fund Corporation, British Gas Pension Fund, Atlantic Richfield Company Pension Plans, Lehndorff Tysons Associates, and Lehndorff & Babson Property Fund. The partnership and property will be managed by Lehndorff & Babson Real Estate Counsel, Inc. This firm is currently managing 8 regional malls and 16 neighborhood and community centers which have a total area of 9,781,373 square feet.

Real Estate Investment Committee Members  
USF&G  
January 18, 1985  
Page Three

Risk/Return - The proposed investment is to purchase 5% of the above partnership for \$7,830,065. This investment should produce a cash return of 6.6% in 1985 and a yield of 16% over a ten-year holding period assuming 6% annual increases in sales and rents and a 4% inflation rate. The major risk in this investment is that Tyson II has a devastating effect on the property. However, Piedmont believes that Tysons II will have a short term negative effect and a long term positive effect. The expansion potential of the subject, while not reflected in the profitability measures, should reduce the downside risk and enhance the long term attractiveness of this investment.

Therefore, we recommend that USF&G invest \$7,830,065 to acquire a 5% general partnership interest in Lehndorff Tysons Property Joint Venture. If you have any questions, please feel free to call me.

Sincerely,



Daniel B. Kohlhepp  
Vice President

Enclosures

DBK/jmb

Exhibit I-1  
INVESTMENT SUMMARY

TYSON'S CORNER REGIONAL SHOPPING CENTER  
MCLEAN, VIRGINIA

PROPERTY

DESCRIPTION:

A regional shopping center containing approximately 1,503,000 net rentable square feet on 85 acres of land located in McLean, Virginia, an affluent suburb of Washington, D.C. The Center, completed in 1969, is anchored by Bloomingdales, Hecht's and Woodward & Lothrop.

ACQUISITION  
COSTS:

Purchase Price:	\$168,852,000
Acquisition Fee:	2,532,780
Closing Costs:	1,688,520
Developer's Buyout Fund	<u>5,000,000</u>

Total Costs \$178,073,300

Outstanding Mortgage Debt \$ 21,472,000

Required Equity \$156,601,300

USF&G's Share 5% \$ 7,830,065

CURRENT OCCUPANCY: 99.8%

MAJOR TENANTS:

Bloomingdales	231,888 Square Feet
Hecht Company	234,228 Square Feet
Woodward & Lothrop	234,594 Square Feet

SALES GROWTH:

Average retail sales increased 10% per year from 1979 to 1983. Retail sales increased 12.8% in 1983.

1985 INCOME AND EXPENSE PROFORMA

Rental Income	\$12,899,331
+ Recoveries	<u>6,618,138</u>
Gross Revenues	\$19,517,469
- Vacancy (1%)	195,175
- Operating Expenses	<u>6,891,485</u>
Net Operating Income	\$12,430,809
- Debt Service	2,137,500
Tenant Improvements	<u>11,090</u>
Cash Flow	\$10,282,219



PROFITABILITY  
MEASURES:

1985 Overall Capitalization Rate (NOI/Total Cost)	7%
1985 Return on Equity (Cash Flow/Equity Investment)	6.6%
Estimated Internal Rate of Return (10 year holding period)	16.1%

GENERAL  
PARTNERSHIP:

Lehndorff Tysons Joint Venture  
General Partners include:

General Motors Hourly-Rate Employee's Pension Plan General Motors Retirement Program for Salaried Employees The Frigidaire Special Plan	50%
Alaska Permanent Fund Corporation	14%
British Gas Pension Fund	10%
Lehndorff Tysons Associates	10%
Master Trust for the Retirement Plans of Atlantic Richfield Company and Certain of its Subsidiaries	7%
Lehndorff & Babson Property Fund	4%
United States Fidelity & Guaranty Company	5%

PARTNERSHIP AND  
PROPERTY  
MANAGEMENT:

Lehndorff & Babson Real Estate Counsel,  
Inc.

## II. THE PROPERTY

## II. THE PROPERTY

### A. INTRODUCTION

Tysons Corner Regional Shopping Center is in Fairfax County, Virginia, the most populous and prosperous county in Virginia which is also an integral part of the Washington, D.C. Metropolitan Statistical Area (MSA). The Washington, D.C. MSA contains Arlington, Fairfax, Loudoun, and Prince William Counties in Virginia along with the Cities of Alexandria, Falls Church, and Fairfax. Maryland Counties include Montgomery, Prince George's and Charles. The District of Columbia represents the focal point of the MSA. The estimated 1984 population of the MSA was 3,141,400 with Fairfax County comprising 649,690 persons or 20% of the MSA total.

The shopping center has a net leasable area of approximately 1,503,000 square feet and contains 152 stores. The anchor tenants are Bloomingdale's, Hecht Company, and Woodward & Lothrop. The center was completed in 1969 and is situated on 85 acres of land.

### B. LOCATION

The Tysons Corner Regional Shopping Center is in an area generally known as Tysons Corner. The unincorporated area around Tysons Corner is McLean. See Exhibit II-1.

Tysons Corner is a triangular area defined by Interstate Highway 495 (Capital Beltway) on the east, Virginia Route 123 (Chain Bridge Road) on the south, and Virginia Route 7 (Leesburg Pike) on the south. See Exhibit II-2.

1. Accessibility - The site has exceptional accessibility. The Capital Beltway provides access north to the Maryland suburbs, and south to Springfield and Alexandria, while the Leesburg Pike provides access to Arlington to the southeast and to Reston, Sterling, and Leesburg to the northwest. Chain Bridge Road connects McLean and Fairfax City to the Center.

The recently completed Dulles Tollway carries traffic from Reston, Herndon, and Fairfax City, and the Dulles Access Extension, which was also recently completed, gives good access from Arlington and downtown Washington. See Exhibit II-3.

## 2. Adjacent Land Uses

Exhibit II-4 is an aerial photograph of the subject property which shows the existing land uses around the Tysons Corner Regional Shopping Center. Along Route 7 are several strip shopping centers, car dealerships, and free-standing commercial buildings. Adjacent to the site on the south is the 393-room Marriott hotel.

There has been an office building boom in the Tysons Corner area recently as there are 10 million square feet of existing space, 2.8 million square feet under construction, and 3.5 million square feet being planned for this area. The excavated land on the left side of the aerial photograph is a three-phase office project which will eventually contain 1.3 million square feet.

Across the Leesburg Pike is the location of Tysons II, a proposed mixed-use development on 107 acres containing a retail center, office building, and two hotels. As part of the rezoning application and development proposal, the developer has agreed to provide approximately \$13 million of road and traffic improvements. Tysons Corner Regional Shopping Center will be directly connected to Tysons II by International Drive. The most important road improvements would include:

- \* Route 123 (Chain Bridge Road) will be widened to a six-lane divided roadway (with turning lanes) between I-495 and Route 123/Route 7 interchange.
- \* International Drive will be extended as a six-lane roadway (with turning lanes) between Route 7 and Westpark Drive.
- \* Westpark Drive will be relocated through Tysons II and will be connected to Route 123 by way of Tysons Boulevard.

Tysons II will have a regional shopping center (approximately 870,000 G.L.A.) with three anchor tenants such as Macy's, Saks, and Bamburgers. The development of Tysons II and the accompanying road improvements should have a long term positive effect on the subject property by firmly establishing Tysons Corner as the premier shopping district in the Metropolitan Washington area.

All of the anchor tenants of the subject property have long-term leases with continuous operating provisions so the risk of a major tenant going to Tysons II is minimized.

C. THE SITE

The site contains 85 acres and is fully improved with buildings and parking areas which meet the current zoning requirements. Exhibit II-5 is a plot plan which shows the site boundaries and the location of the buildings. The plot plan also shows the two driveway entrances from Route 123 and the two driveway entrances from Route 7.

D. THE IMPROVEMENTS

The Tysons Corner Regional Shopping Center contains 1,502,788 net rentable square feet which can be broken down as follows:

<u>Store</u>	<u>Square Feet</u>
Bloomingdales	231,888
Hecht Company	234,228
Woodward & Lothrop	234,594
U.S. Government Office	101,812
Woolworth's	63,250
Free Standing Building	35,992
Roth Theatres	24,763
Garfinkel's	23,770
People's Drugs	23,280
Raleigh's	22,500
Brooks Brothers	14,617
Other Mall Tenants	<u>492,089</u>
Total	1,502,783

The improvements are generally in good condition. Recent engineering inspections confirmed that all operating systems were in good working order. However, the roof is in poor condition.

Consequently, the price of the improvements was reduced by \$1,000,000, and a contingency fund was established for repairs and maintenance. The inspecting engineers felt that periodic leaks could be repaired for the next three or four years until a decision was made to expand the center. At the time of expansion, a new roof for the entire center would be appropriate.

Several photographs of the interior and exterior of the property are presented in Exhibit II-6.

#### E. FUTURE DEVELOPMENT

The 85-acre site on which the Tysons Corner Regional Shopping Center is located is presently improved to approximately 50% of its density per the approved zoning. However as long as only surface parking is provided, all of the present land is required to meet the mandatory parking ratio. RTKL, a Dallas architectural and planning firm, designed a preliminary plan which includes both expansion of the Mall, decked parking, and additional development. The development plan, presented in Exhibit II-7, would be subject to the approval of the major tenants in the shopping center and to obtaining the necessary building permits and consents.

Approximately 23 acres would be used in the redevelopment plan. The existing mall would be increased with 240,000 square feet of retail space as well as a 250-room hotel. There would also be five office building sites. While the exact value of the expansion potential is difficult to measure, it does provide substantial upside potential in the long run.

#### F. ACQUISITION COSTS

The total acquisition cost of the property is \$178,073,300, and a breakdown of this cost is presented in Exhibit II-8. The land and the improvements were purchased separately from two different sets of owners. As discussed earlier, the \$1,000,000 contingency fund was established primarily for roof repairs and replacement.

The original developer of the project receives 5% of the gross rental income for 20 years from the date the original tenant opened for business as his original development fee. The present value of this fee is estimated to be approximately \$5 million. At this time, the negotiations are underway to buy-out the developer's fee in a lump sum, and therefore \$5 million has added to the purchase price for this purpose.

The capital for the acquisition consists of an existing first mortgage from Connecticut General Life Insurance Co. for \$21,472,000 and equity capital of \$156,601,300. The mortgage carries an interest rate of 6% and matures July 30, 1998.

Exhibit II-1  
REGIONAL MAP

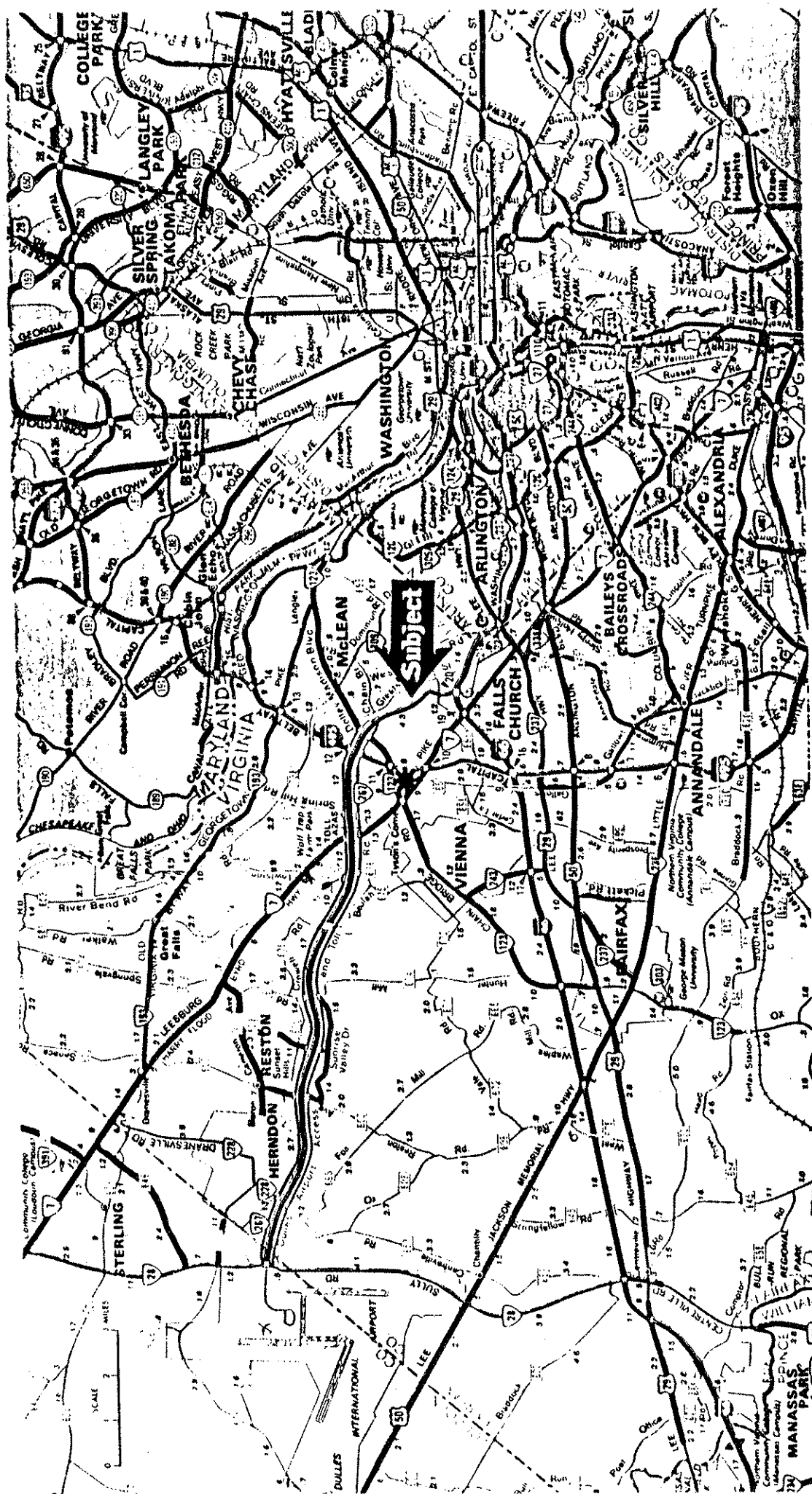
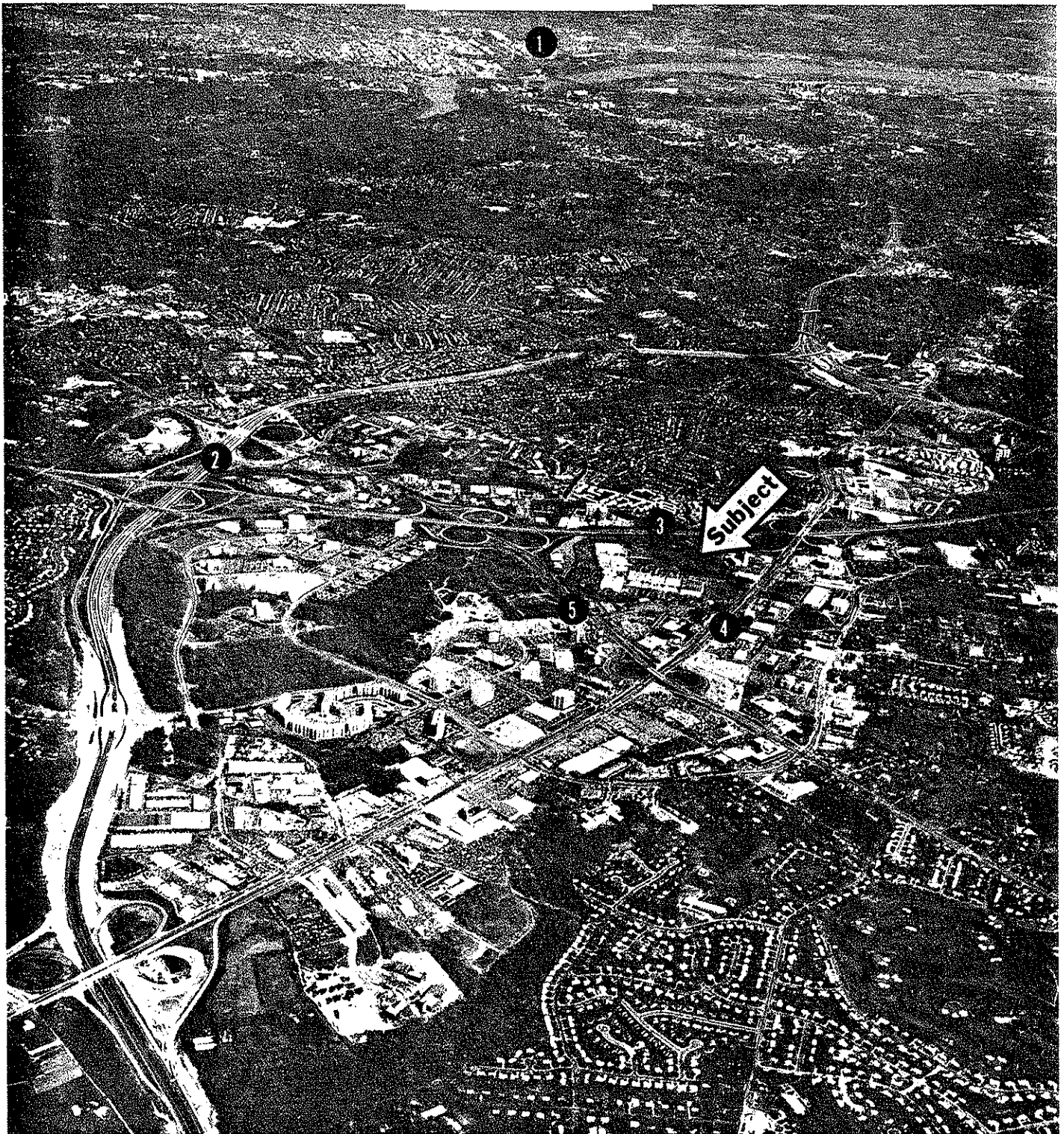


Exhibit II-2  
SITE VICINITY MAP



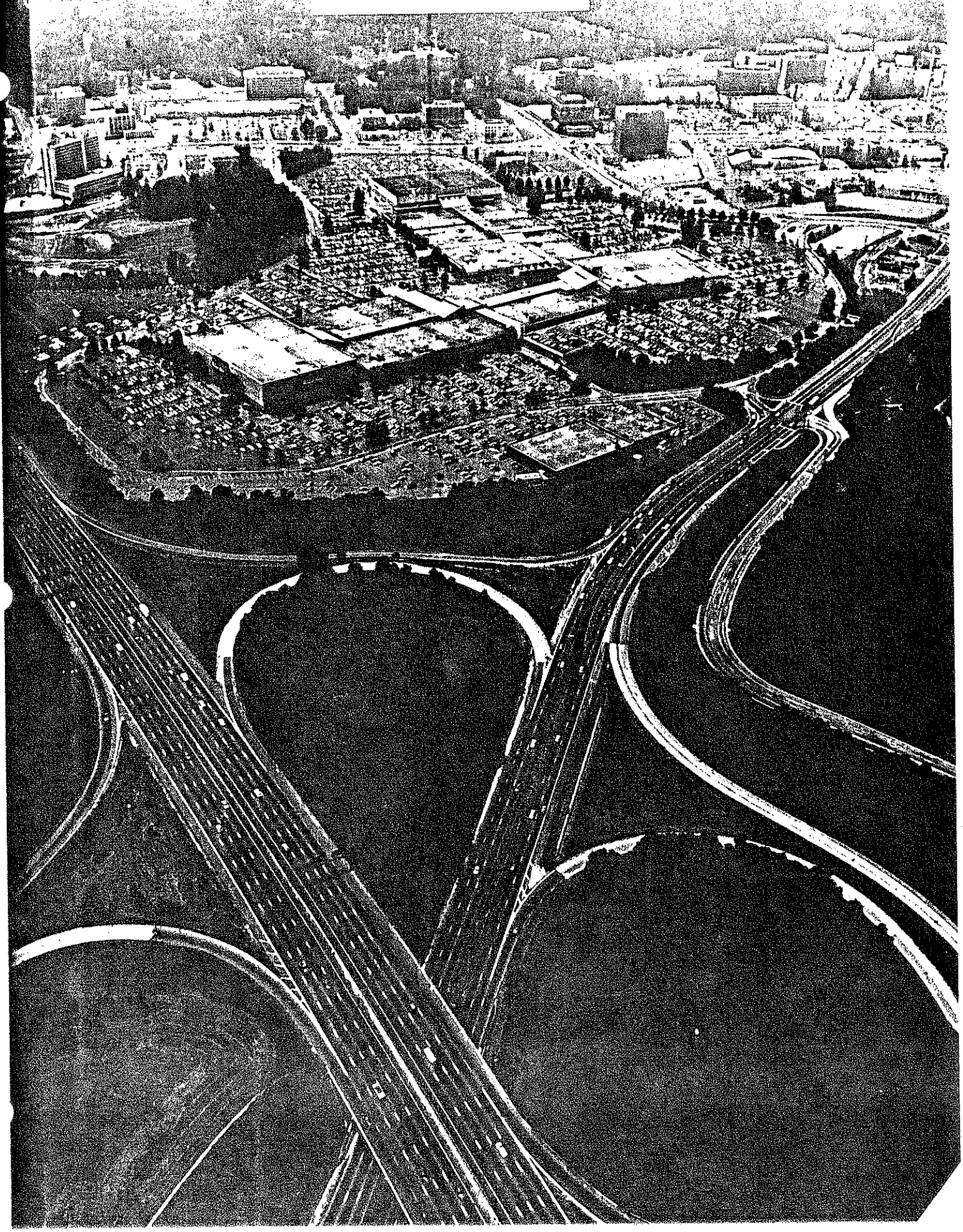


Exhibit II-3  
AERIAL MAP

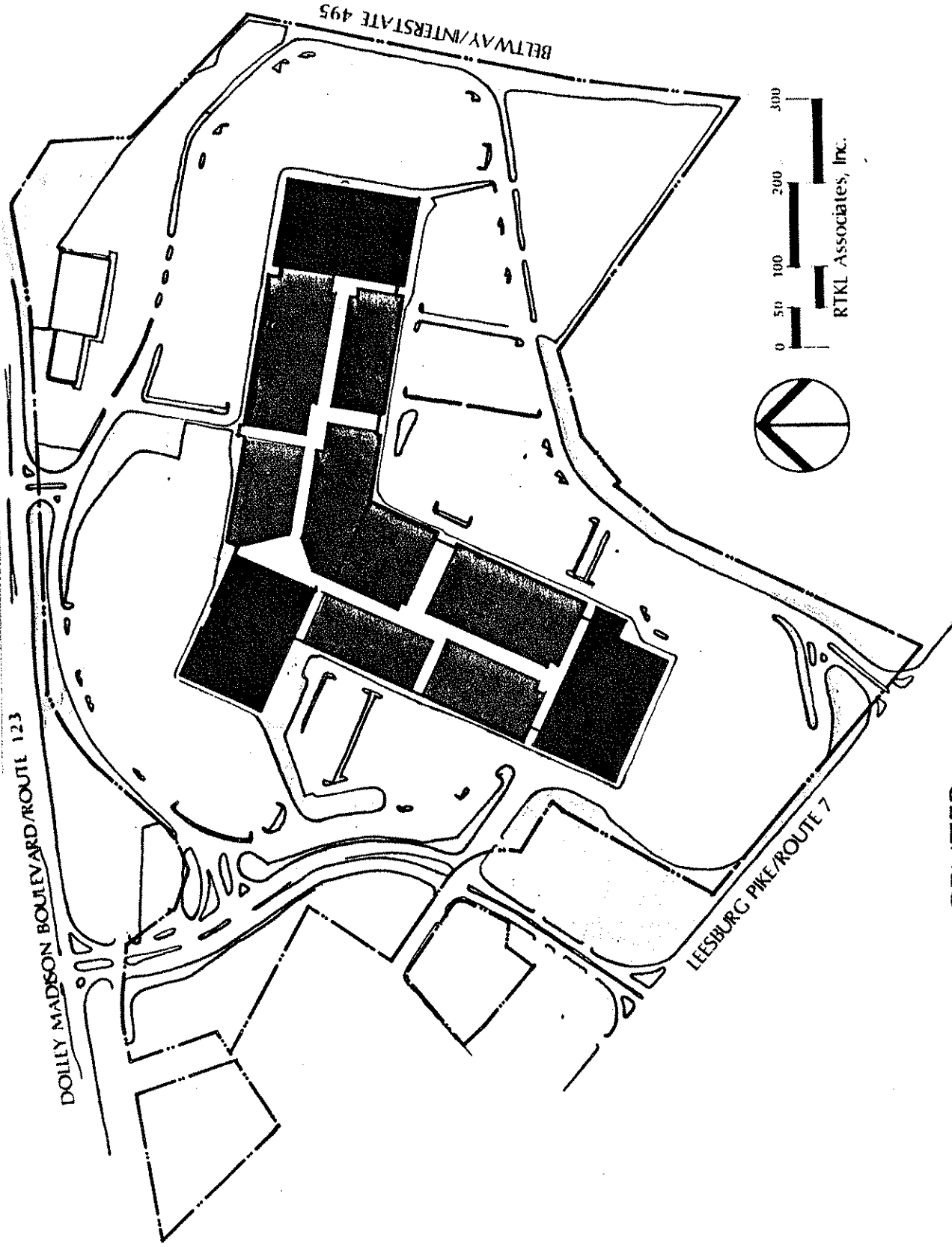


- ① DOWNTOWN WASHINGTON
- ② DULLES AIRPORT ACCESS RD.
- ③ CAPITAL BELTWAY [LOOP 495]
- ④ LEESBURG PIKE [RT 7]
- ⑤ HWY 123

Exhibit II-4  
AERIAL PHOTOGRAPH



SITE PLAN



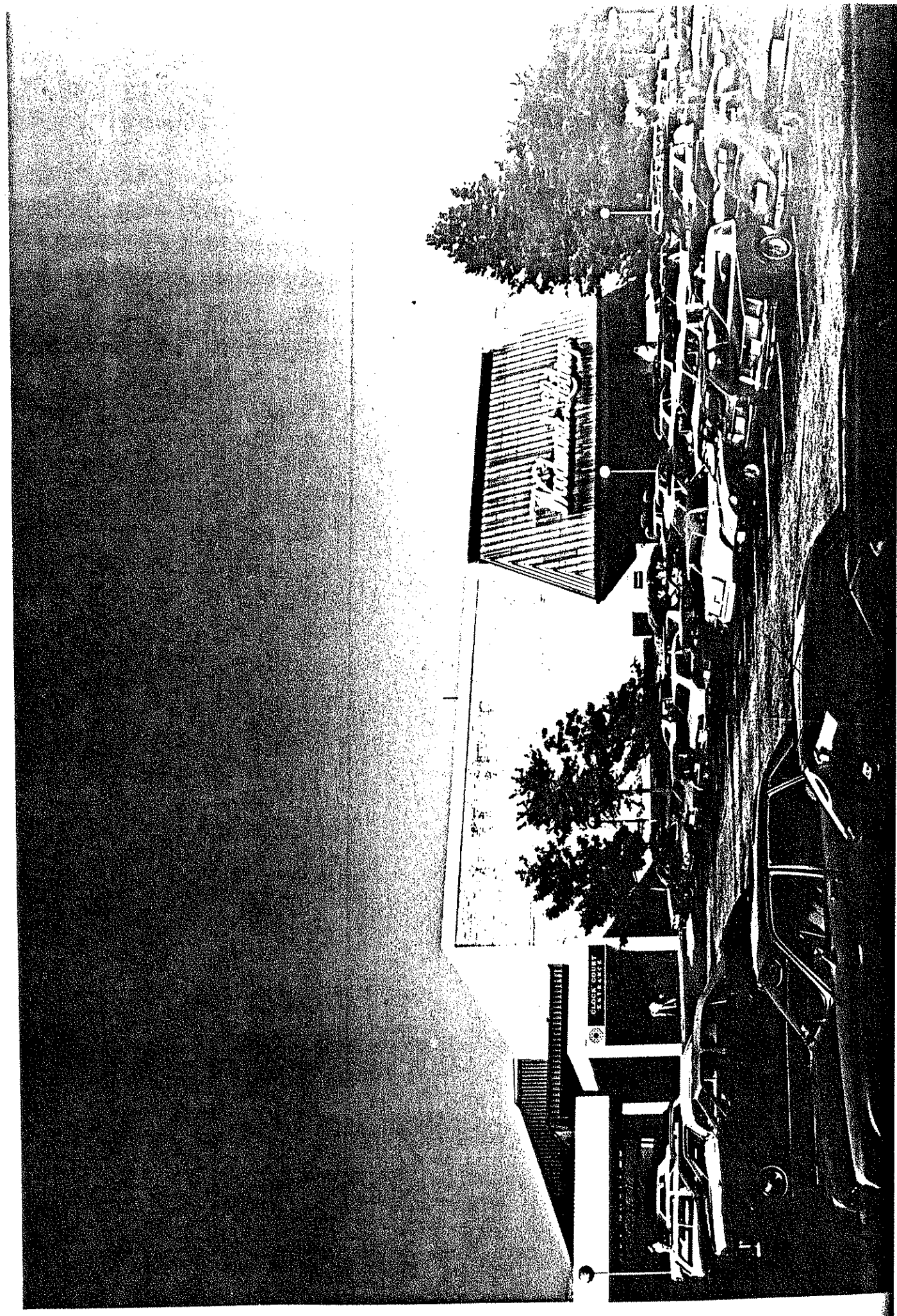
TYSONS CORNER CENTER  
FAIRFAX COUNTY, VIRGINIA

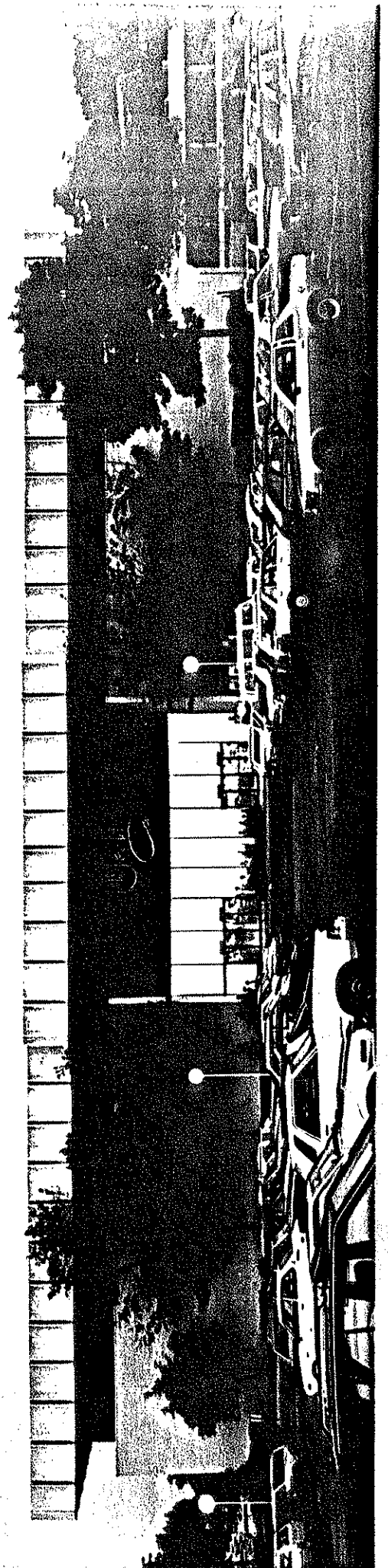
Exhibit II-6  
SITE PHOTOGRAPHS



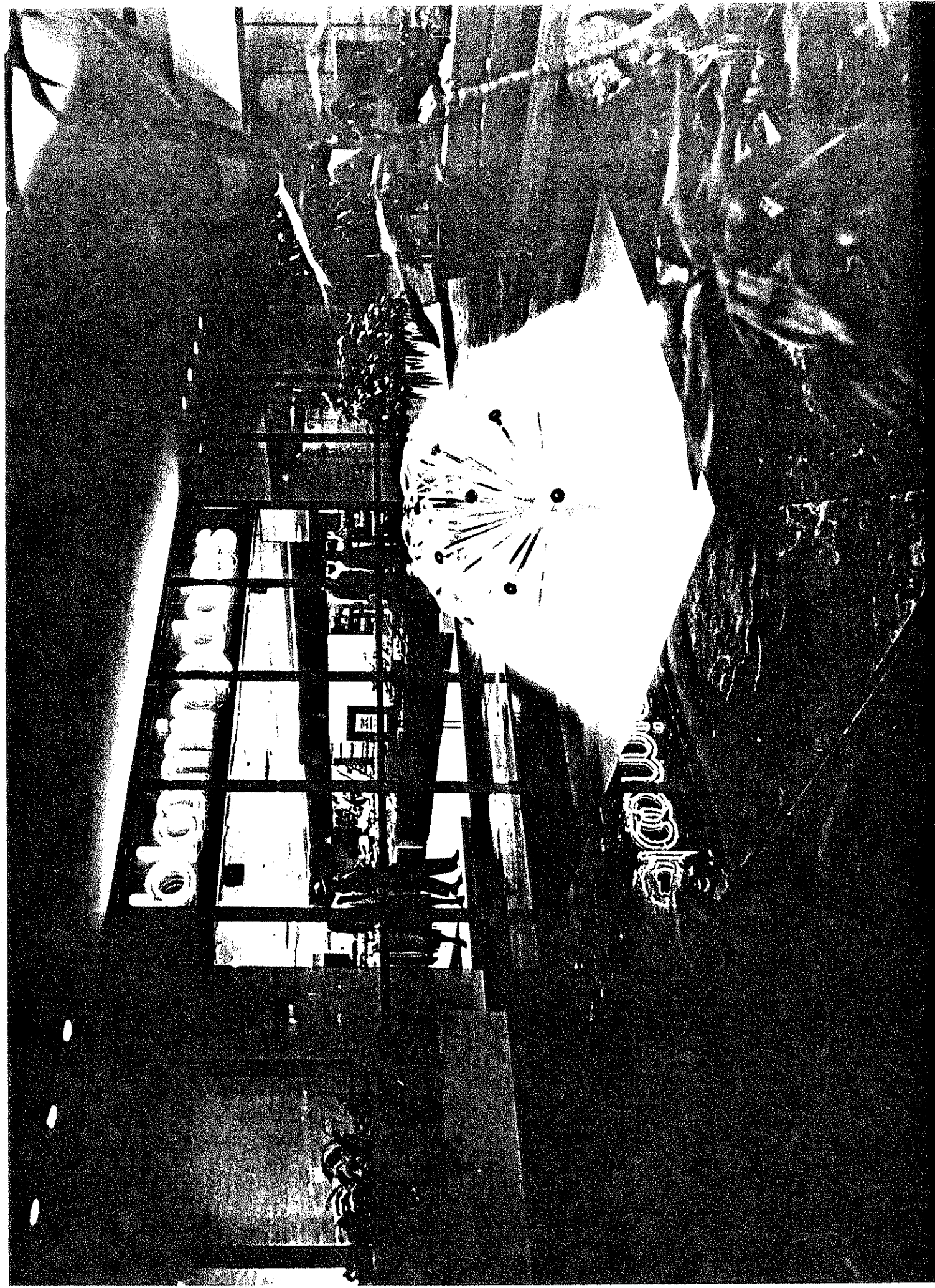
bloomin' noddies





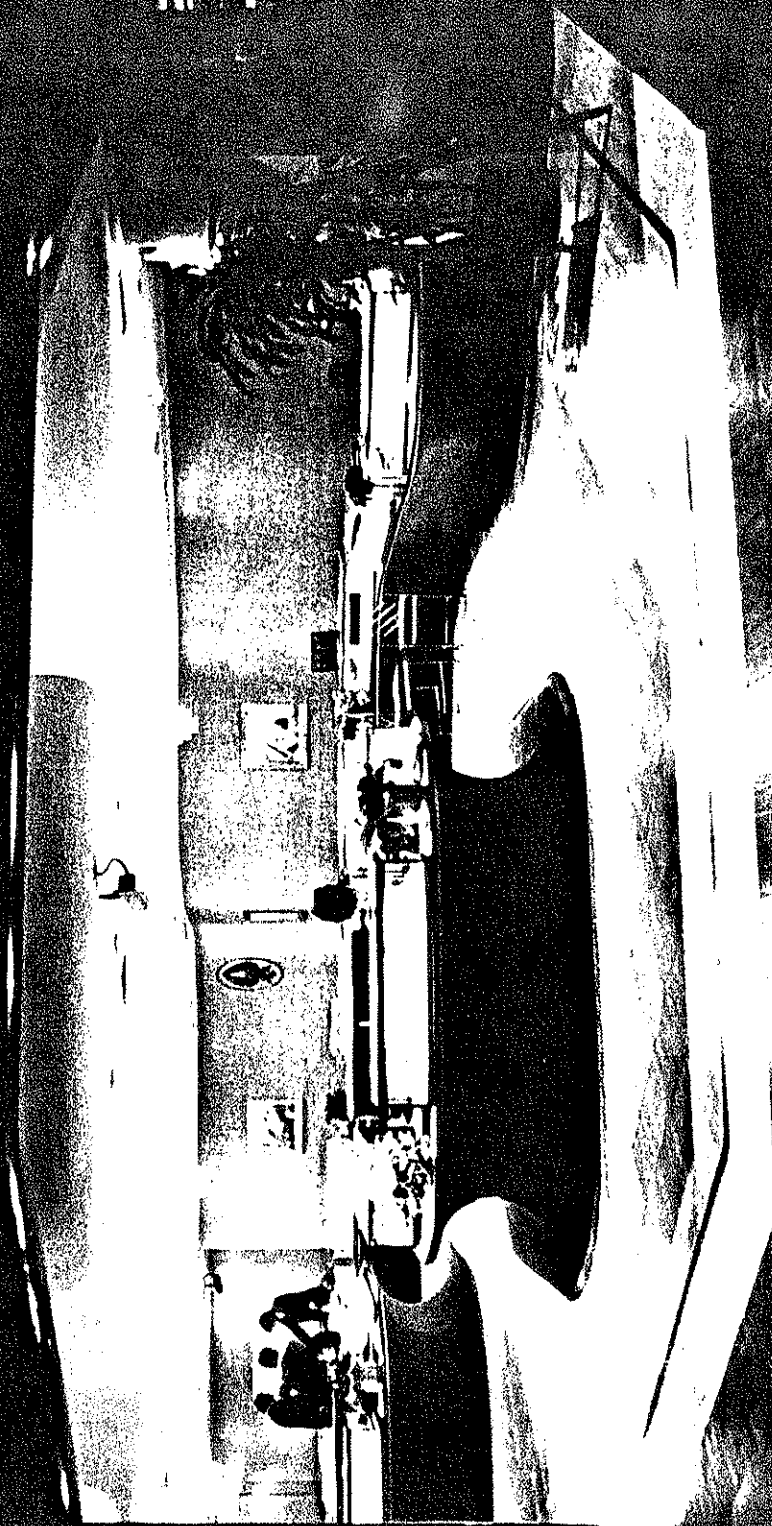


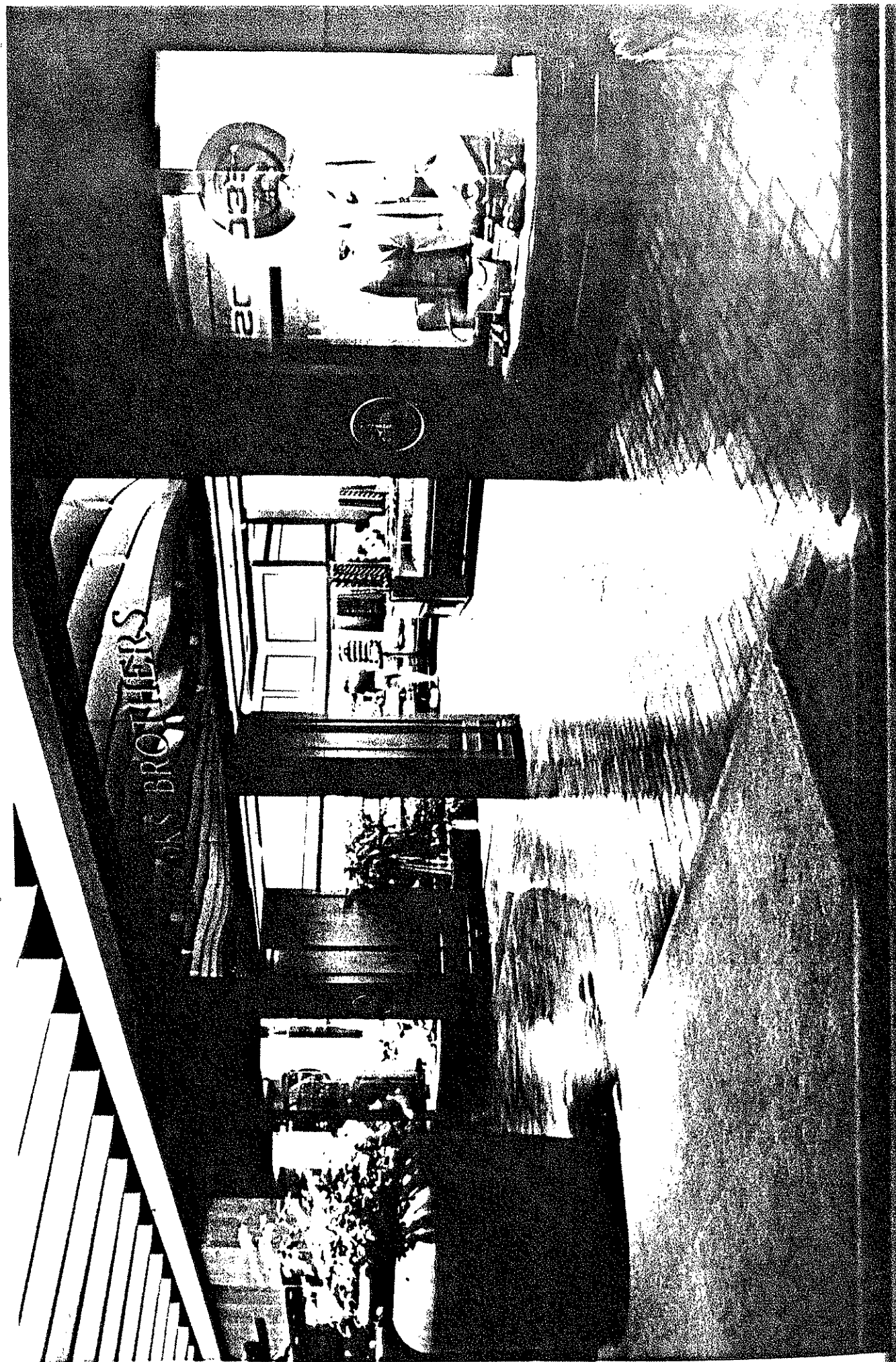


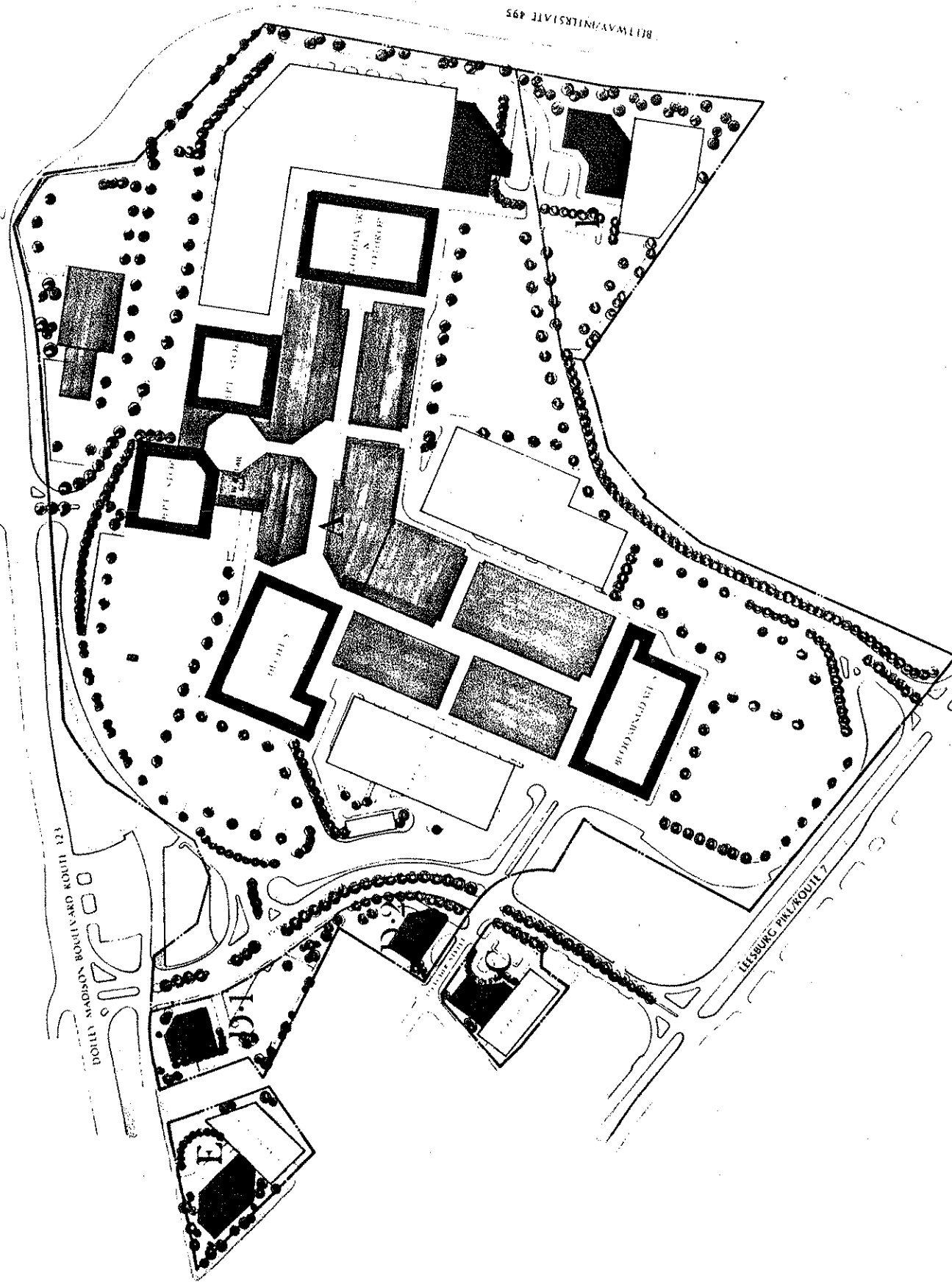




# BLACK, STARR & FROST







PRIMARY MASTER PLAN

Exhibit II-7  
FUTURE DEVELOPMENT

Exhibit II-7A

PRELIMINARY MASTER PLAN KEY

TYSONS CORNER REGIONAL SHOPPING CENTER  
McLean, Virginia

PARCEL A

	<u>Square Feet</u>
(A) Proposed Additional Retail Site:	
Two Department Stores	200,000
Mall Gross Leasable Area	<u>40,000</u>
Total Additional Retail	240,000
(B) Proposed Hotel Site	
Seven Level Hotel with 250 Rooms	

PARCEL B

Proposed Office Building Site

PARCEL C

Proposed Office Building Site

PARCEL D-1

Proposed Office Building Site

PARCEL D-2

Proposed Office Building Site

PARCEL E

Proposed Office Building Site

Exhibit II - 8

ACQUISITION COST BREAKDOWN

	TOTAL COSTS	USF&G's 5.00%
Ground -- Acquisition	26,000,000	1,300,000
Ground -- Commission	180,000	9,000
Improvements -- Acquisition	140,472,000	7,023,600
Improvements -- Contingency	1,000,000	50,000
Improvements -- Commission	1,200,000	60,000
Sub Total (Purchase Price)	\$ 168,852,000	8,442,600
Developer's Fee Buyout Fund	5,000,000	250,000
Acquisition Fee @ 1.5 %	2,532,780	126,639
Closing Costs @ 1 %	1,688,520	84,426
TOTAL ACQUISITION COSTS	\$ 178,073,300	8,903,665

CAPITAL BREAKDOWN

Mortgage Capital	21,472,000	1,073,600
Equity Capital	156,601,300	7,830,065
TOTAL CAPITAL	\$ 178,073,300	8,903,665

### III. THE MARKET OVERVIEW

### III. MARKET OVERVIEW

#### A. INTRODUCTION

The Tysons Corner Regional Shopping Center is within Fairfax County, Virginia which has grown from 455,033 people in 1970 to 649,690 persons today, a 42 percent increase. The number of households experienced an even greater increase, 78 percent or a jump from 126,518 to 226,227 households. Fairfax County is expected to be the most populous jurisdiction in the Washington Metropolitan Area by the year 2000 when the estimated population will be 740,000.

The Fairfax County population is better educated, more affluent, and more professional than the metropolitan area as a whole. Over the last 10 years the number of research and technical firms in the county increased 136 percent, the number of trade and professional associations increased 193 percent, and the number of corporate headquarters and regional offices increased 317 percent.

Within this growing and affluent county, the Tysons Corner Regional Shopping Center has done very well. Retail sales for the total mall have increased from \$176.5 million in 1979 to \$250.6 million in 1983, a 10-1/2% annual increase. The historic sales for selected stores are presented in Exhibit III-1, and the historic sales for all stores reporting sales is presented in Appendix A. The strong growth of the sales is expected to continue as Fairfax County continues to grow and to prosper.

#### B. MAJOR SUBURBAN SHOPPING MALLS IN THE WASHINGTON METROPOLITAN AREA

The major suburban shopping malls in the Washington Metropolitan area are shown in Exhibit III-2. The size and major tenant of each mall is also presented in this exhibit.

The malls that are most competitive with the subject are the Montgomery Mall in Bethesda, Maryland, Springfield Mall in Springfield, Virginia, and Fair Oaks Mall near Fairfax City, Virginia.

The Springfield Mall is 10 years old, has 1.3 million square feet, and is anchored by Garfinkel's, J.C. Penney's, and Wards. The Montgomery Mall is 17 years old, has 1 million square feet, and is anchored by Garfinkel's, Hecht's, Sears and Woodward & Lothrop. Both of these malls are leasing space in the following ranges:

<u>Size (Sq. Ft.)</u>	<u>Rent (PSF, Triple Net)</u>
500-1000	\$60
1000-2000	\$45-\$50
2000-3000	\$40-\$45

Fair Oaks Mall is recently completed, has 1.4 million square feet, and is anchored by Garfinkel's, Hecht's, Sears, Lord & Taylor, J.C. Penney's, and Woodward & Lothrop. New, raw space in the mall is being leased in the following ranges:

<u>Size (Sq. Ft.)</u>	<u>Rent (PSF, Triple Net)</u>
500-2000	\$65-\$70
2000-3000	\$45-\$55

C. TYSONS CORNER RETAIL TRADE AREA

The Tysons Corner trade area extends into Loudoun County to the north and is bounded by Dulles Airport to the west, Route 50 to Fairfax and down to I-95/I-395 in a diagonal manner to the south, I-95 to Rosslyn, Virginia then proceeding along the Potomac River back to Loudoun County. See Exhibit III-3. The trade area incorporates such population centers as Vienna, Reston, McLean, Fairfax, Herndon, Falls Church, Springfield, parts of Arlington, and Alexandria.

The population within this trade area is very impressive in terms of population growth, age distribution, income levels, and occupation. The demographic characteristics of this trade area are summarized in Exhibit III-4.

This trade area had a "Shopping Goods Expenditure Potential" in 1980 of \$1,050,000,000, and this expenditure level is expected to be \$1.3 billion by 1987. This expenditure level is for shopper's goods which represent major purchases other than day to day food or convenience items.

The development of the Tysons II in the retail trade area should have several positive effects. The road improvements should increase accessibility within the Tysons Corner area, and the development of 3.03 million square feet of office space and 720,000 square feet of hotel space should substantially increase the immediate daytime populations. The 870,000 square feet of retail space could hurt the subject property, but if the upper scale retail anchors such as Macy's or Saks Fifth Avenue are attracted, then the mall would nicely compliment the subject and a very synergistic effect would take place. Tysons II would reinforce Tysons Corner as the most attractive shopping area in the region.



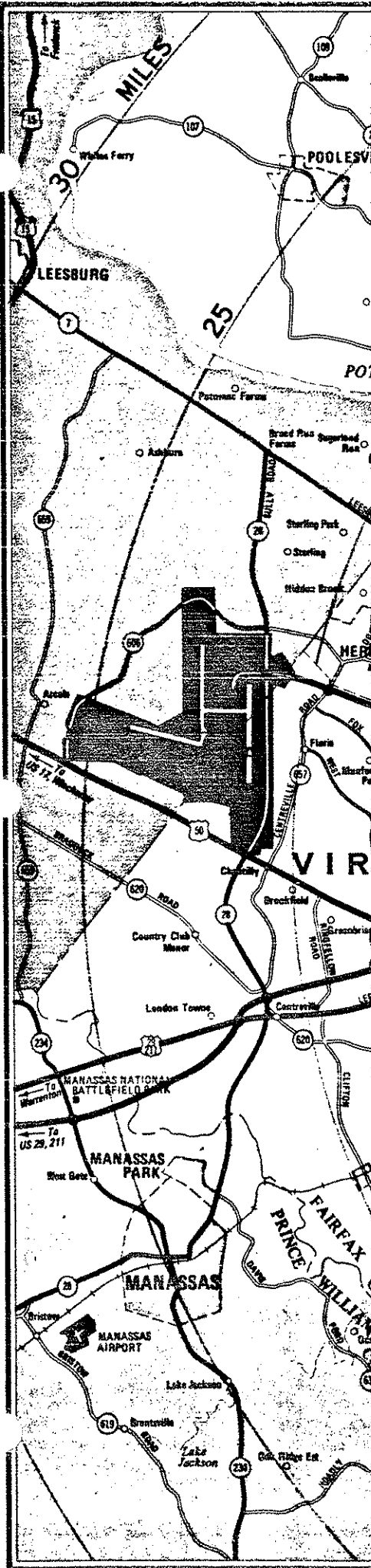
Exhibit III - 1

SELECTED TENANT SALES HISTORY (1)

TYSONS CORNER SHOPPING CENTER

STORE		1979	1980	1981	1982	1983
BLOOMINGDALES		\$30,497,576	\$31,850,000	\$34,922,388	\$37,503,000	\$42,065,316
	psf	\$131.52	\$137.35	\$150.60	\$161.73	\$181.40
HECHT COMPANY		\$33,913,594	\$33,481,730	\$32,754,800	\$34,777,656	\$37,983,878
	psf	\$144.79	\$142.95	\$139.84	\$148.48	\$162.17
WOODWARD & LOTHROP		\$34,908,985	\$34,517,450	\$34,264,867	\$35,584,521	\$41,377,037
	psf	\$152.33	\$150.62	\$149.52	\$155.28	\$180.56
GARFINCKLES		\$2,967,811	\$3,045,214	\$2,925,668	\$3,181,312	\$3,919,312
	psf	\$124.83	\$128.08	\$123.06	\$133.81	\$164.85
RALEIGH'S		\$8,231,089	\$8,173,142	\$8,689,080	\$8,696,336	\$8,915,706
	psf	\$365.83	\$363.25	\$386.18	\$386.50	\$396.25
WOOLWORTH		\$3,316,082	\$3,341,884	\$3,448,091	\$3,565,268	\$3,877,813
	psf	\$70.18	\$70.73	\$72.98	\$75.46	\$82.07
TOTAL SALES ALL STORES		\$176,459,537	\$187,719,188	\$202,206,636	\$218,481,541	\$250,575,626

(1) The five year sales history for all stores reporting sales is presented in Appendix A.



Source: Coldwell Banker Real Estate Consultation Services

15 miles

10 miles

5 miles

Potomac River

Loudoun Co.

Fairfax Co.

Georgetown Pike

Herndon

Dulles Access

Reston

West Ox Rd.

Fox Mill Rd.

Vienna

Fairfax

Washington, DC

WASHINGTON, DC

SUBJECT PROPERTY

TYSONS CORNER SHOPPING CENTER

Falls Church

Arlington

Alexandria

Polomac

Tysons Corner Retail Trade Area (70%)

Legend:

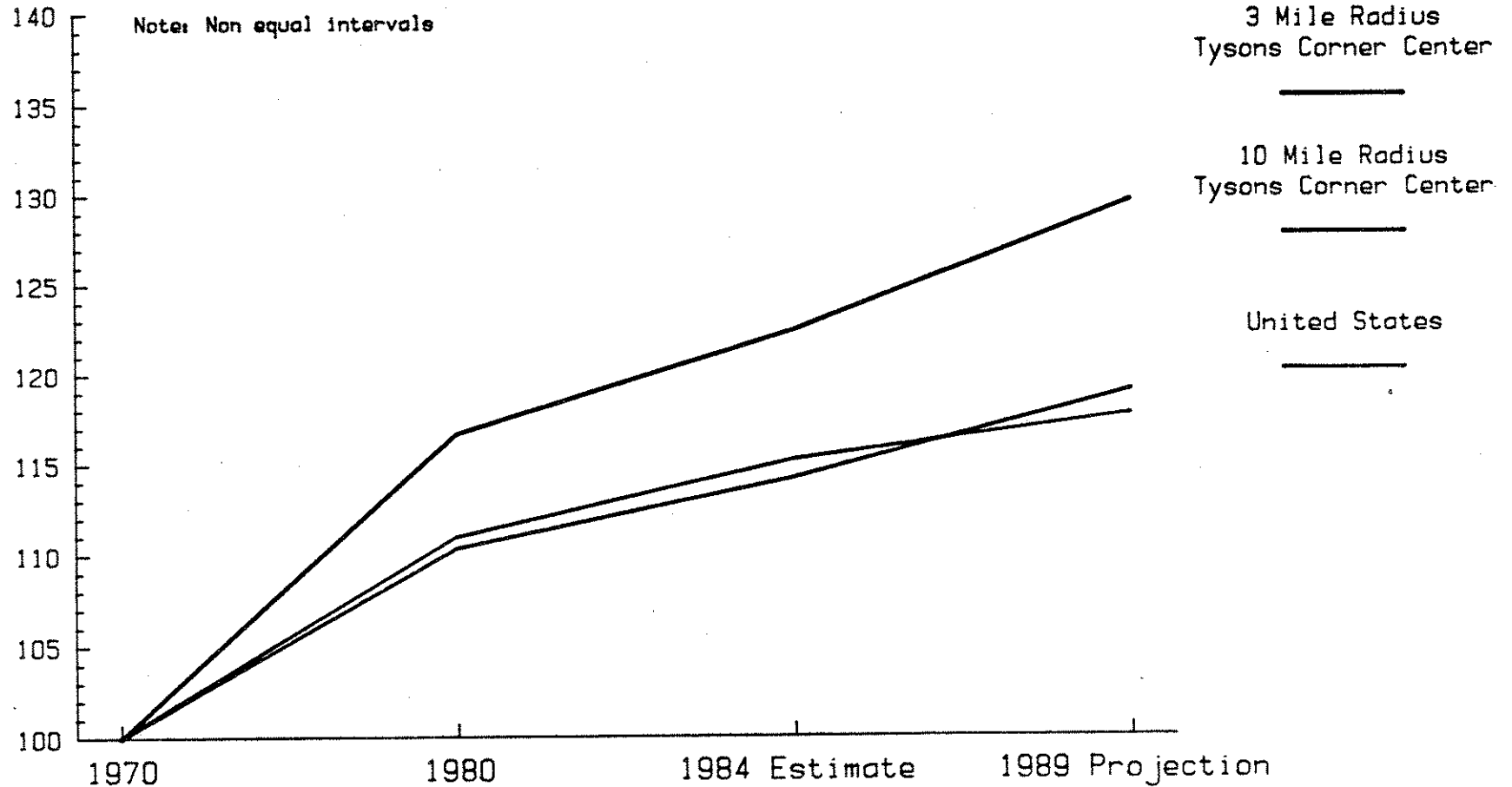
1.	Tysons Corner	1,500,000 SF
2.	Fair Oaks Mall	1,400,000 SF
3.	Seven Corners	483,000 SF
4.	Landmark	665,000 SF
5.	Montgomery Mall	1,000,000 SF
6.	White Flint Mall	800,000 SF

North Schematic

# Population Growth

## Region compared with United States

Index (1970 = 100)



Source: U.S. Department of Commerce;  
ADP Database

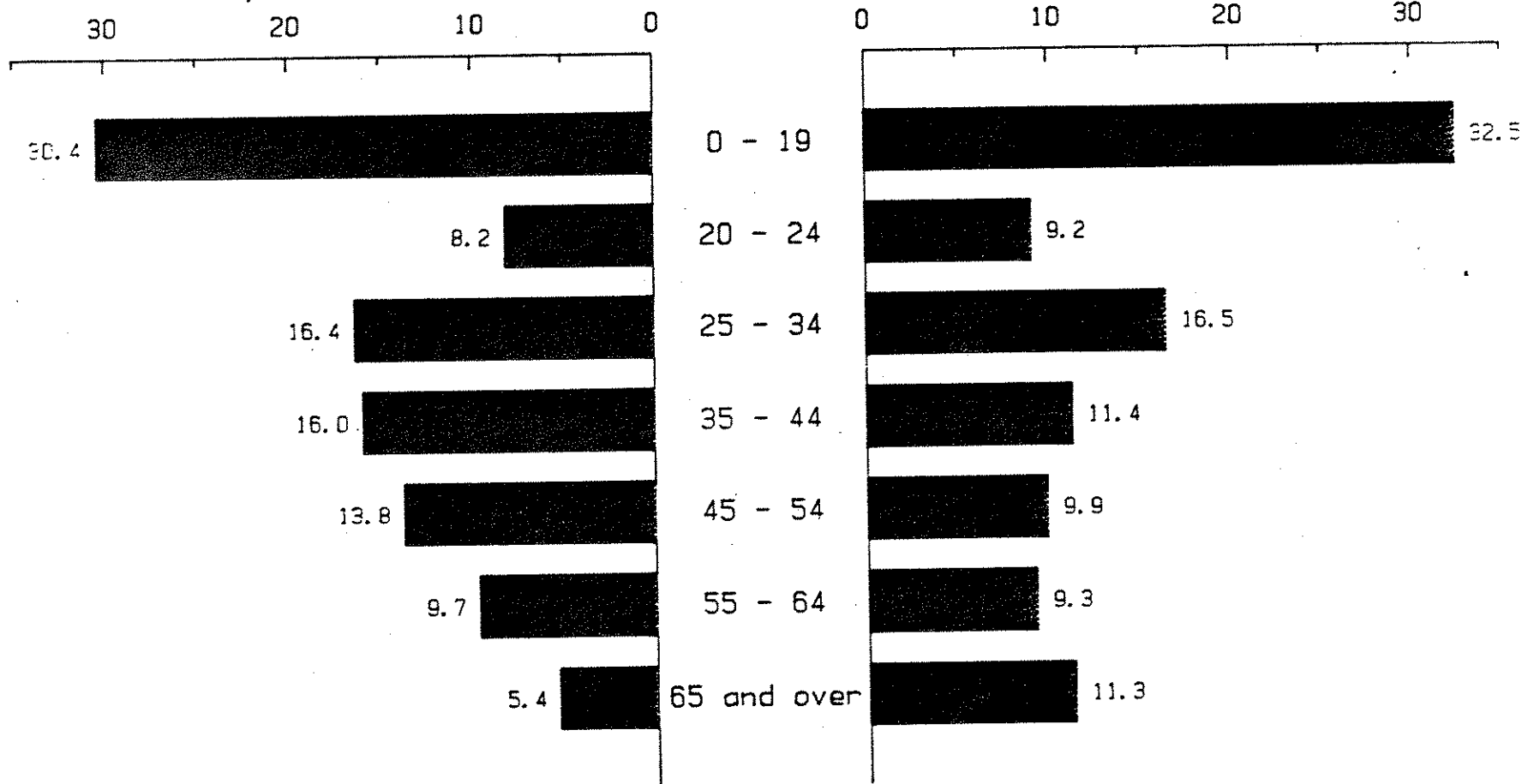
Exhibit III-4B

# Population by Age

Region compared with United States (1980)

3 Miles Radius Tysons Corner (% of Total)

United States (% of Total)



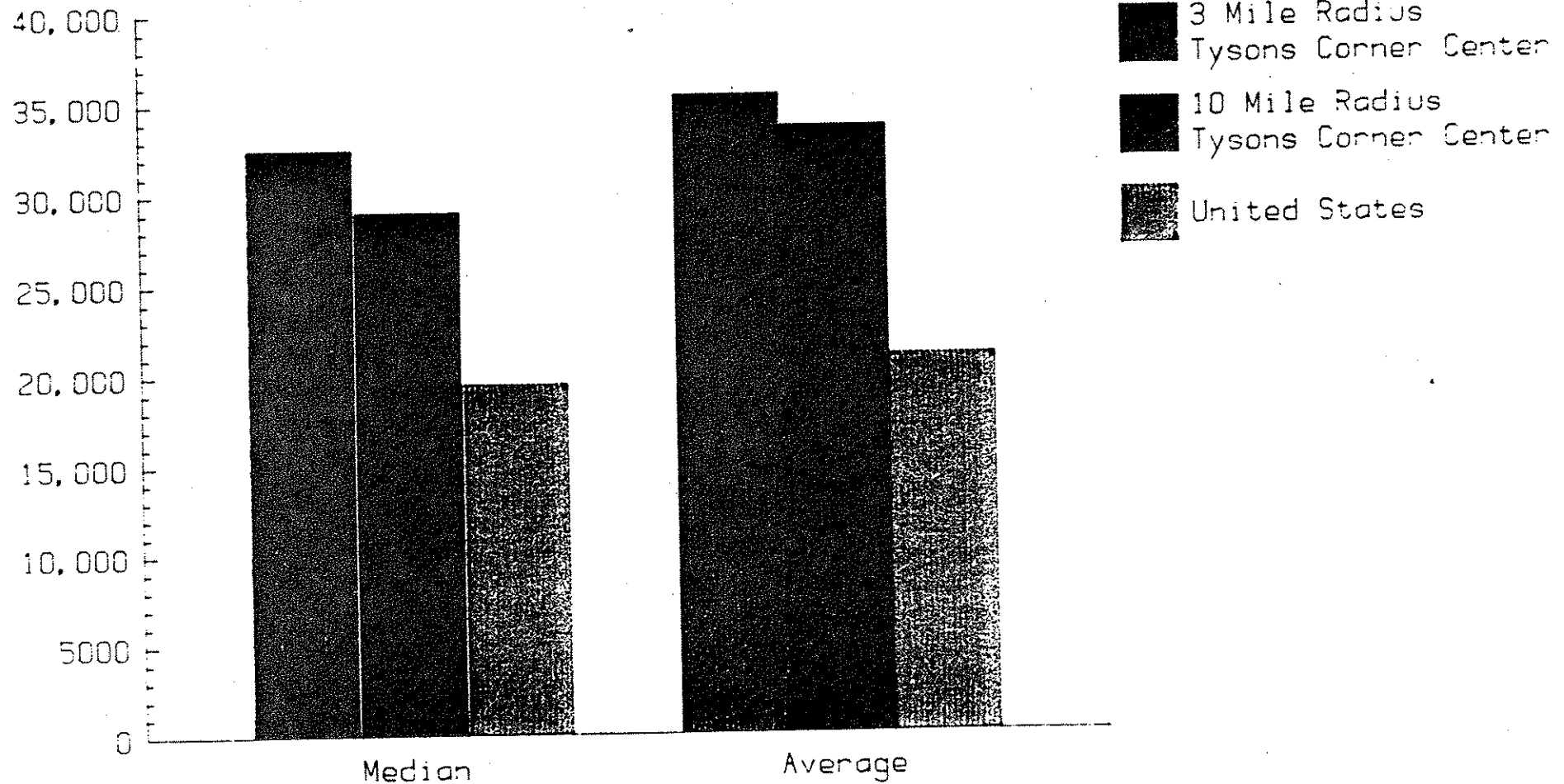
Age Group

Exhibit III-4C

# Household Income

## Region compared with United States (1979)

Dollars/Year

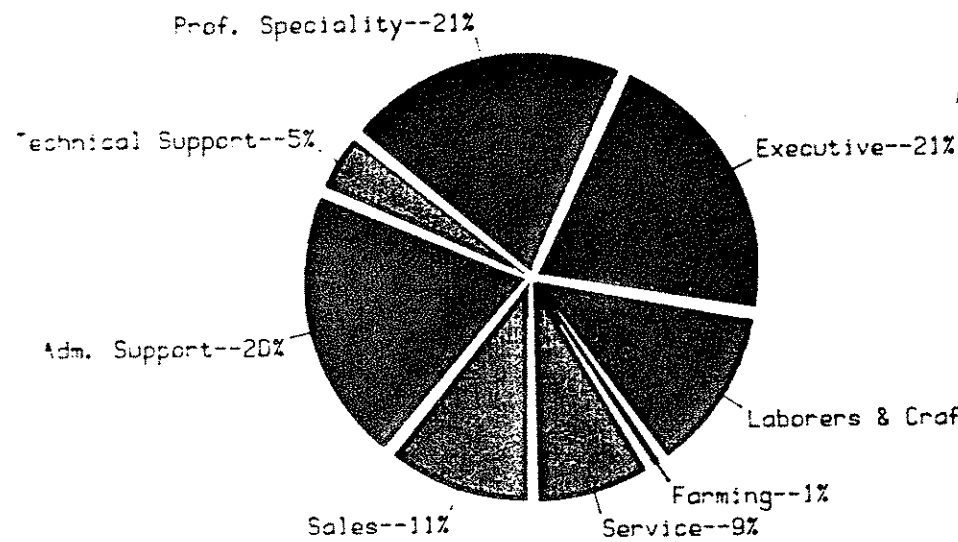


Source: U.S. Department of Commerce

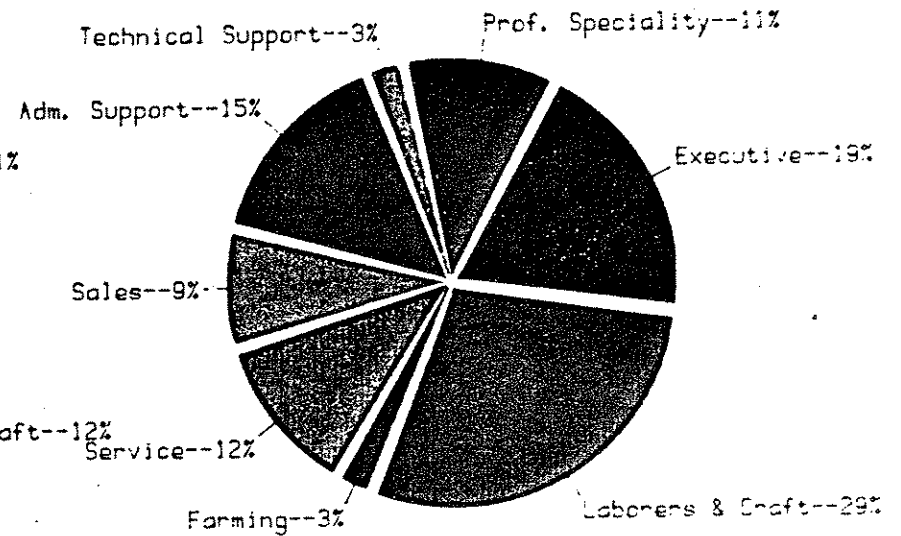
Exhibit III-4D

# Occupation

Region compared with United States (1980)



3 Mile Radius



United States

**IV. THE PARTNERSHIP AND MANAGEMENT**



#### IV. THE PARTNERSHIP AND MANAGEMENT

##### A. JOINT VENTURE PARTNERSHIP

The Tyson's Corner Regional Shopping Center will be purchased and owned by Lehndorff Tysons Property Joint Venture, a Virginia general partnership. USF&G's investment would represent a 5% general partnership interest. The latest draft of the partnership agreement is presented in Appendix B, and the other general partners and their approximate interests will be:

General Motors Pension Plans	50%
Alaska Permanent Fund	14%
British Gas Pension Fund	10%
Lehndorff Tysons Associates	10%
Atlantic Richfield Pension Funds	7%
Lehndorff & Babson Property Fund	4%

##### B. PARTNERSHIP MANAGEMENT AND PROPERTY MANAGEMENT

The partnership, management and real estate management will be provided by Lehndorff & Babson Real Estate Counsel, Inc. This firm is currently managing eight regional shopping malls containing 7,276,266 square feet and 16 community shopping centers containing 2,505,107 square feet. Exhibit IV-1 is a list of the regional shopping malls which they are currently or have previously managed.

Exhibit IV-1

MALLS MANAGED BY  
LEHNDORFF & BABSON REAL ESTATE COUNSEL, INC.

<u>Center</u>	<u>Size/ GLA</u>	<u>Location</u>	<u>Currently Managed</u>	<u>Previously Managed</u>
Greenbriar Mall	548,032	Atlanta, GA	X	
Crossroads Mall	1,333,000	Oklahoma City, OK	X	
Lincoln Mall	1,122,725	Matteson, IL	X	
West Covina Fashion Plaza	991,509	Los Angeles, CA	X	
Wonderland Mall	681,000	San Antonio, TX	X	
Monroe Mall	325,000	Monroe, NC	X	
Park Central	760,000	Phoenix, AZ	X	
Tysons Corner	1,515,000	McLean, VA	X	
Olive Square	72,000	Glendale, AZ		X
Four Seasons Mall	1,128,000	Greensboro, NC		X
Heartland Mall	215,016	Brownwood, TX		X
Mountain View Mall	188,298	Ardmore, OK		X
Nolan River Mall	193,953	Celburne, TX		X
Palestine Mall	207,023	Palestine, TX		X
Pampa Mall	221,915	Pampa, TX		X
Univeristy Mall	134,064	Brookings, SD		X
Buffalo Mall	190,116	Jamestown, ND		X
Carlsbad Mall	117,900	Carlsbad, NM		X
Pierre Mall	155,382	Pierre, SD		X
University Mall	117,489	Nacogdoches, TX		X
Totals	<u>10,217,422</u>		<u>7,276,266</u>	<u>2,941,156</u>

**V. THE RISK AND RETURN**

## V. RISK & RETURN

### A. INTRODUCTION

The investment structure for the proposed investment is simple and straightforward. U.S.F.&G. contributes 5% of the equity capital (\$7,830,065) and receives 5% of the profits, losses, and cash distributions from operations and sales.

### B. RETURNS

The expected income and expenses for 1985 are presented in Exhibit V-1. The Net Operating Income is expected to be \$12,430,809 which means the Return on Total Capital is 7%. This return is very competitive in the current market for regional shopping centers. Similar returns for malls sold within the last six months range from 4.4% to 6.8% as the following chart indicates:

<u>Mall</u>	<u>Approximate Size - Sq.Ft.</u>	<u>Major Tenant</u>	<u>Return On Total Capital</u>
Northbrook Court Mall Northbrook, IL	+/- 1,000,000	Neiman-Marcus I. Magnin Lord & Taylor J.C. Penney	6.8%
West Town Mall Knoxville, TN	800,000	Sears J.C. Penney Millers	4.4%
Cumberland Mall Atlanta, GA	1,300,000	Rich's Sears J.C. Penney	5% to 5.5%*

\* Under contract to U.K. America Properties, but Metro Life has right of first refusal which has not yet expired.

The cash flow in 1985 is estimated to be \$10,282,219 of which \$514,111 would go to USF&G providing a 6.6% return on equity.

The above mentioned calculations are based on the existing leases which are summarized in Appendix C. These leases have been projected for ten years using the assumption outlined in Exhibit V-2, and the resulting income and expense projections for the ten year period are presented in Exhibit V-3.

The expected yield on the equity investment is estimated to be 16.1 percent over the 10 year period. The calculations and assumptions of the estimated yield are presented in Exhibit V-4.

## B. RISKS

In this investment proposal, USF&G would incur all of the general partnership risks associated with purchasing, owning, and operating a leveraged, 15-year old shopping center. These risks are identified as property risks, financial risks, market risks, and partnership risks.

1. Property Risks - The major property risk is that there may be extraordinary expenses and/or property losses. This risk will be reduced by net lease provisions, adequate insurance protection, and reserves for contingencies. Also, the property must be efficiently and effectively managed to further minimize the property risks. Lehndorff & Babson Real Estate Counsel, Inc. has substantial experience in managing large shopping malls. However, if this management becomes unsatisfactory, the firm may be fired with a majority vote of the partners and 30 days written notice.

2. Financial Risk - Given the low loan amount (\$21,472,000) and the low payments (\$2,137,500) relative to the property costs and net operating income (\$178,073,300 and \$12,430,809 respectively), the financial risks of default is minimal.

3. Market Risks - The market risk is that the future rents will not be realized because of general economic conditions or additional competition in the trade area. The center's past sales history, especially during the 1981 recession, combined with the anticipated future population and employment growth of Fairfax County, suggest that the projected sales and rental increase of 6 percent may be conservative. If sales and rents increase at historic levels, between 10 and 12 percent, then the expected yield would increase to the 19 to 22 percent range.

Additional competition within the trade area will come primarily from the planned development of Tysons II. The Tysons II retail space is not expected to be available for three or four years, and the road improvements are expected to be in place before then. While the road improvements will enhance the subject's accessibility, the competition of the new center could reduce the subject's sales in the short run until the positive synergism of two major malls increases the overall attractiveness of the Tysons Corner retail area.

#### 4. Partnership Risks

The liability exposure of general partnership ownership is well known and the realm of legal experts. The business risks of this particular partnership agreement are minimized by the "no additional capital contributions provision" (paragraph 3.2 in Appendix B), and the simple majority rule provision which governs major partnership decisions. The provisions governing the assignment of partnership interests and the buy-sell agreements are fair to minority interests.

Lehndorff & Babson Real Estate Counsel, Inc. is experienced in managing these types of partnerships, and if its management is unsatisfactory, it can be removed with a majority vote of the partners and 30 days written notice.

#### Conclusion

Tysons Corner Regional Shopping Center provides an attractive long term equity investment with good profitability potential and minimal downside risks. Future expansion of the mall and future development or sale of office sites further enhance the investment opportunity. Piedmont Realty Advisors recommends that the Real Estate Investment Committee of the United States Fidelity and Guarantee Company approve the purchase of 5% of the partnership interests of Lehndorff Tysons Property Joint Venture.

Exhibit V - 1  
1985 INCOME AND EXPENSES

REVENUES		PER SQ. FT.
Base Rentals	10,180,936	\$6.77
Percentage Rent	2,498,300	\$1.66
Storage Rent	220,095	\$0.15
Gross Rental Income	12,899,331	\$8.58
plus: RECOVERIES		
Common Area/Administrative Overhead	1,111,848	\$0.74
Utilities	4,561,400	\$3.03
Real Estate Taxes	944,890	\$0.63
Gross Recoveries	6,618,138	\$4.40
equals: GROSS REVENUES	19,517,469	\$12.99
less: VACANCY ALLOWANCE @ 1 % of Gross	195,175	\$0.13
equals: EFFECTIVE GROSS INCOME	19,322,294	\$12.86
less: OPERATING EXPENSES		
Common Area	1,078,781	\$0.72
Central Plant	3,082,027	\$2.05
Office Building	199,936	\$0.13
Real Estate Taxes	1,540,163	\$1.02
General and Administrative	335,909	\$0.22
Maintenance Reserve	75,000	\$0.05
Management Fees and Leasing Commissions	579,669	\$0.39
Total Operating Expenses	6,891,485	\$4.59
equals: NET OPERATING INCOME	12,430,809	\$8.27
less: DEBT SERVICE	2,137,500	\$1.42
less: TENANT IMPROVEMENTS	11,090	\$0.01
equals: CASH FLOW	10,282,219	\$6.84
RETURN ON TOTAL CAPITAL (N.O.I. divided by TOTAL COST)	7.0%	
RETURN ON EQUITY (CASH FLOW divided by Equity Capital)	6.6%	

Exhibit V-2

ASSUMPTIONS FOR CASH FLOW PROJECTIONS

TYSONS CORNER REGIONAL SHOPPING CENTER  
McLean, Virginia

MARKET RENTAL GROWTH:	6%
SALES GROWTH:	6%
CONSUMER PRICE INDEX:	4%
OPERATING EXPENSE ESCALATION:	4%
STABILIZED VACANCY: (1% of Gross Income)	1%

RESALE:  
(Capitalize 11th year net  
operating income, with an  
allowance of 1.5% for closing  
costs.) 7%

MARKET RENTS (1985):

<u>Retail</u>	<u>Rent per Square Foot</u>
Less than 2,000 leasable sq. ft.	\$60.00
2,000 to 3,000 leasable sq. ft.	\$40.00
3,001 to 5,000 leasable sq. ft.	\$35.00
5,001 to 10,000 leasable sq. ft.	\$30.00
Over 10,000 leasable sq. ft.	\$25.00
Office - Lower Level	\$15.00
Storage	\$ 5.00

OPTIONS/RENEWALS: Assume all options are exercised.  
Assume 75% of existing mall tenants will renew, and 25%  
of new tenants. Assume 50% renewals for 5 year terms  
at fair market rent and 50% renewals for 10 year terms,  
with a five year bump to fair market rent.

NEW TENANTS: Market rent with a two month void period  
Tenant improvements - \$5.00 per square foot.



COMMON AREA/ADMINISTRATIVE OVERHEAD RECOVERY: Tenants pay a charge for common area maintenance which is subject to periodic adjustment according to the terms and conditions of the respective leases (see Rent Roll). CAM expense for tenant recovery purposes includes direct expenses of maintaining the common area, plus an allocable portion of central plant expenses attributable to the common areas, plus an administrative charge equal to 15 percent of CAM expenses excluding salaries and central plant. Recovery income is projected at the historical rate of 73 percent of such expenses.

UTILITIES RECOVERY: Tenants pay a charge for heating and cooling provided from the Center's central plant, subject to periodic adjustment according to the terms and conditions of the respective leases (see Rent Roll).

Recovery income is projected at the historical rate of 148 percent of central plant expenses.

REAL ESTATE TAX RECOVERY: Tenants pay a pro rata share of real estate tax assessments, or a specified percentage of increases over a base year amount (see Rent Roll). Recovery income for 1985 is projected at 61% of the assessment. The recovery percentage is projected to increase 2.5% per annum, giving effect to the increasing gap between current year and base year amounts.

MANAGEMENT FEE AND LEASING COMMISSIONS: 3 percent of gross income.

MAINTENANCE RESERVE: Five cents per leasable square foot per annum.

DEVELOPMENT FEE: Under an agreement dated April 2, 1965, a fee is payable in connection with the planning, supervision and coordination of activities relating to the development of the center. The fee is equal to 5% of the gross income generated by the center and covers a period of 20 years from the date the original tenant opened each unit for business. The exact amount of future liability has not yet been finally determined, but is estimated between \$3.5 million and \$7.5 million over the next eight years. Since a final determination of the liability cannot be made, this cost is not factored into the projections. Instead a \$5 million reserve has been established from the acquisition funds to cover this liability if and when a lump sum settlement is negotiated.

# Exhibit V-3 CASH FLOW PROJECTIONS

DESCRIPTION	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994
REVENUE:										
BASE RENTALS	10,180,936	10,635,291	11,404,304	12,449,427	14,339,682	16,136,682	17,476,670	18,719,091	20,226,645	22,867,991
PERCENTAGE RENT	2,498,300	2,669,412	2,812,595	3,047,289	3,039,214	3,005,001	3,183,816	3,177,521	3,397,336	3,215,126
STORAGE RENT	220,095	254,927	278,850	302,285	446,496	514,327	569,078	634,124	690,221	800,928
GROSS RENTAL INCOME	12,899,331	13,559,630	14,495,749	15,799,001	17,825,392	19,656,010	21,229,564	22,530,736	24,314,202	26,884,045
RECOVERIES:										
COMMON AREA/ADMINISTRATIVE OVERHEAD	1,111,848	1,160,230	1,210,547	1,262,877	1,317,300	1,373,900	1,432,764	1,493,983	1,557,650	1,623,864
UTILITIES	4,561,400	4,743,856	4,933,610	5,130,955	5,336,193	5,549,641	5,771,626	6,002,491	6,242,591	6,492,294
REAL ESTATE TAXES	944,890	1,007,253	1,073,731	1,144,598	1,220,141	1,300,670	1,386,515	1,478,025	1,575,574	1,679,562
GROSS REVENUES	19,517,469	20,470,969	21,713,637	23,337,431	25,699,026	27,880,221	29,820,469	31,505,235	33,690,017	36,679,765
LESS: VACANCY LOSS	(195,175)	(204,710)	(217,136)	(233,374)	(256,990)	(278,802)	(298,205)	(315,052)	(336,900)	(366,798)
EFFECTIVE GROSS INCOME	19,322,294	20,266,259	21,496,501	23,104,057	25,442,036	27,601,419	29,522,264	31,190,183	33,353,117	36,312,967
LESS: OPERATING EXPENSES:-										
COMMON AREA	1,078,781	1,121,932	1,166,810	1,213,482	1,262,021	1,312,502	1,365,002	1,419,602	1,476,386	1,535,442
CENTRAL PLANT	3,082,027	3,205,308	3,333,520	3,466,861	3,605,536	3,749,757	3,899,747	4,055,737	4,217,967	4,386,685
OFFICE BUILDING	199,936	207,933	216,251	224,901	233,897	243,253	252,983	263,102	273,626	284,571
REAL ESTATE TAXES	1,540,163	1,601,770	1,665,840	1,732,474	1,801,773	1,873,844	1,948,798	2,026,749	2,107,819	2,192,132
GENERAL & ADMINISTRATIVE	335,909	349,345	363,319	377,852	392,966	408,685	425,032	442,033	459,715	478,103
MAINTENANCE RESERVE	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
MANAGEMENT FEES & LEASING COMMISSIONS	579,669	607,988	644,895	693,122	763,261	828,043	885,668	935,705	1,000,594	1,089,389
TOTAL OPERATING EXPENSES	6,891,485	7,169,276	7,465,635	7,783,691	8,134,454	8,491,083	8,852,230	9,217,930	9,611,107	10,041,323
NET OPERATING INCOME	12,430,809	13,096,983	14,030,865	15,320,365	17,307,582	19,110,336	20,670,034	21,972,253	23,742,010	26,271,644
LESS: DEBT SERVICE	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)	(2,137,500)
TENANT IMPROVEMENTS	(11,090)	(39,613)	(79,168)	(200,391)	(83,218)	(212,448)	(167,645)	(195,996)	(341,880)	(282,589)
NET CASH FLOW	10,282,219	10,919,870	11,814,197	12,982,474	15,086,864	16,760,388	18,364,889	19,638,757	21,262,630	23,851,555

Exhibit V - 4  
INVESTOR'S YIELD SUMMARY

YEAR	CASH FLOW (1)	SALE PROCEEDS (2)	ANNUAL TOTAL	USF&G'S SHARE (3)
1985	10,282,219		10,282,219	514,111
1986	10,919,870		10,919,870	545,994
1987	11,814,197		11,814,197	590,710
1988	12,982,474		12,982,474	649,124
1989	15,086,864		15,086,864	754,343
1990	16,760,388		16,760,388	838,019
1991	18,364,889		18,364,889	918,244
1992	19,638,757		19,638,757	981,938
1993	21,262,630		21,262,630	1,063,132
1994	23,851,555	389,771,552	413,623,107	20,681,155

Estimated Yield (4)                      16.1%

- 
- (1) From Exhibit V - 3
- (2) Sales Proceeds were based on the 11th year NOI of \$28,401,292 capitalized at 7 % less 1 % selling expenses and the outstanding mortgage balance of \$ 9,875,200.
- (3) 5 %.
- (4) Internal rate of return calculated using \$ 156,601,300 as the initial investment of which \$ 7,830,065 is USF&G's share.

**APPENDIX A**  
**TENANT SALES HISTORY**

Appendix A  
TENANT SALES HISTORY

TYSONS CORNER REGIONAL SHOPPING CENTER  
McLean, Virginia

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>JEWELRY STORES</u>					
Bailey, Banks & Biddle	2,978,091	4,694,426	4,132,903	3,966,648	4,045,302
Black, Starr & Frost	443,905	1,484,632	1,350,960	1,854,872	2,444,920
J. B. Robinson Occupancy Date 11/81	--	--	218,314	728,791	885,321
Kay Jewelers	1,242,848	1,136,260	1,206,525	1,241,320	1,370,672
Melart Jewelers	878,977	1,085,139	1,160,930	1,214,356	1,176,342
Mondia Jewelry	343,373	350,433	374,000	412,719	471,053
Nan Stuart (Rings N Things)	85,586	81,051	85,497	88,921	126,379
Towne Silversmith	--	230,336	374,174	378,993	435,763
Toyko Pearl (Opened - 1984)	--	--	--	--	--
SUBTOTAL	5,972,780	9,062,277	8,903,303	9,886,620	10,955,752
<u>SPECIALTY STORES</u>					
Amal's Flowers	51,560	59,410	64,850	62,169	102,559
Baths Etc.	501,566	389,488	542,429	505,048	476,933
Beckers Leather (Closed 7/30/83 & reopened 11/10/83 in new location.)	747,723	653,889	705,585	827,280	750,651

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>SPECIALTY STORES (continued)</u>					
Brookstone	--	369,818	1,378,727	1,379,113	1,453,126
California Concepts	105,915	138,134	133,401	138,818	218,100
Baldwin Music	1,360,979	1,224,801	999,857	846,259	835,236
China Arts	54,008	68,368	85,427	132,546	166,872
Crabtree & Evelyn	156,463	230,591	278,338	280,969	301,074
Docktor Pet Center	184,733	461,020	359,670	433,057	372,709
F.A.O. Schwarz	--	--	192,063	481,660	498,971
Fabric Tree	279,612	283,341	300,588	281,452	324,989
Foloigraph Gallery	292,438	304,102	295,322	319,647	330,208
Georgetown Tobacco	364,946	360,856	403,778	384,929	372,022
Gift Gate	--	--	--	239,989	302,677
Occupancy Date 3/18/82					
Hair Cuttery	--	9,447	148,043	208,080	271,485
Hoffritz	--	285,384	352,334	351,474	374,771
Occupancy Date 1/20/80					
Irving's Sports	1,137,768	1,128,415	1,135,238	1,067,381	1,148,377
Joan Bari	243,083	222,763	224,764	209,390	205,119

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b><u>SPECIALTY STORES</u> (continued)</b>					
Montes	324,683	270,443	337,846	342,267	383,367
New Energy Science Occupancy Date 9/17/82	--	--	--	117,673	262,338
Over the Rainbow	78,640	245,763	283,389	280,073	272,961
Peoples	2,172,203	2,490,234	2,604,227	2,856,032	3,181,433
Radio Shack	190,837	497,677	929,982	964,656	915,207
Ritz Camera	1,209,879	1,290,661	1,316,487	1,466,181	1,432,871
Roth's Theatres	1,501,006	2,127,006	1,991,335	2,239,754	2,246,445
Sterling Optical (Opened - 1984)	--	--	--	--	--
Scandinavian Gallery (Opened - 1984)	--	--	--	--	--
Scandia Down (Opened - 1984)	--	--	--	--	--
Spencer Gifts	459,785	437,534	439,751	462,697	491,271
Thimbles Occupancy Date 10/24/81	--	--	159,213	794,747	937,507
Timothy's Coffees	79,370	120,044	130,636	157,851	171,732
Tyson's Corner Hallmark	710,388	840,588	960,473	1,021,045	1,097,851
Tyson's Four Theatres	--	390,924	2,190,942	2,497,658	2,714,749
This End Up Occupancy Date 2/6/81	--	--	480,973	652,968	632,105

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b><u>SPECIALTY STORES</u> (continued)</b>					
Variety Records	696,282	1,082,023	1,356,478	858,309	1,628,985
Video Concepts Occupancy Date 7/81	--	--	844,412	1,306,819	1,387,748
Walden Books	1,043,622	1,092,403	1,093,396	1,231,606	1,567,371
Woolworth	3,316,082	3,341,884	3,448,091	3,565,268	3,877,813
World Imports	588,866	648,808	681,352	785,449	912,238
Eddie Bauer Occupancy Date 10/14/83	--	--	--	--	1,128,817
Kim's Custom Tailor (Opened - 1984)	--	--	--	--	--
C.P.I. Photo Finish Occupancy Date 2/21/83	--	--	--	--	282,117
<b>SUBTOTAL</b>	<b>17,852,437</b>	<b>21,065,819</b>	<b>26,849,397</b>	<b>29,750,314</b>	<b>34,030,805</b>
<b><u>FOOD</u></b>					
Cookie Jar Occupancy Date 1/1/82	--	--	--	100,375	156,546
French Baker	18,228	177,645	297,105	400,566	303,805
Frontier Fruit & Nut Occupancy Date 11/28/80	--	38,943	242,148	217,313	188,859
Glant Food	4,768,640	5,549,227	6,538,980	7,117,705	7,378,105
Jo Ann's Nut House	228,850	248,943	279,111	264,337	256,076



Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b><u>FOOD</u> (continued)</b>					
Nature Food Center	318,632	361,086	343,903	306,360	295,011
Orange Bowl	251,667	304,139	402,306	408,938	461,253
Selbt's Bakery	194,865	203,169	198,682	184,751	170,702
<b>SUBTOTAL</b>	<b>5,780,882</b>	<b>6,883,152</b>	<b>8,302,235</b>	<b>9,000,346</b>	<b>9,210,357</b>
<b><u>RESTAURANTS</u></b>					
Casa Maria (Garibaldi's)	651,270	490,018	2,009,577	2,211,290	2,141,498
Farrell's	884,858	947,386	1,086,693	1,131,923	1,139,287
Forty Carrots (Opened - 1984)	--	--	--	--	--
Hot Shoppes Cafeteria	1,513,356	1,569,523	1,694,263	1,757,533	1,881,658
Jerry's Sub Shop (Opened - 1984)	--	--	--	--	--
Le Mistral	805,197	889,031	830,526	799,558	766,549
Luciano's	232,530	189,706	264,212	316,839	450,749
Lums	610,772	716,485	736,957	748,323	747,571
Magic Pan	1,429,103	1,363,277	1,297,420	1,373,922	1,528,032
Mekong Restaurant Occupancy Date 5/4/81	--	--	376,523	435,044	405,520
Real Rich	143,200	129,491	170,487	216,956	243,955
Roy Rogers	1,071,783	1,165,108	1,293,018	1,350,329	1,443,761

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b><u>RESTAURANTS</u> (continued)</b>					
Soup 'R Sandwich	409,419	406,258	416,223	438,997	434,436
Wendy's (Opened -1984)	--	--	--	--	--
H. A. Winston	1,516,712	1,514,658	1,518,218	1,510,005	1,428,259
<b>SUBTOTAL</b>	<b>9,268,200</b>	<b>9,380,941</b>	<b>11,694,117</b>	<b>12,290,719</b>	<b>12,611,275</b>
<b><u>MEN'S SHOES</u></b>					
Gentlemen's Jodphur	519,885	549,132	634,298	701,154	761,845
Hanover	561,932	606,175	590,543	638,887	617,635
Jarman	394,922	382,286	453,577	444,871	469,781
Johnston & Murphy Occupancy Date 19/28/81 (Formerly Flagg Brothers)	217,134	214,175	76,203	389,275	472,774
<b>SUBTOTAL</b>	<b>1,693,873</b>	<b>1,751,768</b>	<b>1,754,621</b>	<b>2,174,187</b>	<b>2,322,035</b>
<b><u>WOMEN'S SHOES</u></b>					
Bakers	617,835	664,895	788,927	751,110	918,894
DeYoung	1,012,936	967,543	953,482	1,079,851	833,049
Hess Shoes Occupancy Date 4/81	--	--	374,160	464,256	490,904
Shop for Pappagallo Occupancy Date 11/8/80	--	118,175	602,823	586,026	562,115
Wild Pair	722,212	750,393	776,674	732,280	822,489
<b>SUBTOTAL</b>	<b>2,352,983</b>	<b>2,501,006</b>	<b>3,496,066</b>	<b>3,613,523</b>	<b>3,627,451</b>

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b><u>SPECIALTY SHOES/FAMILY</u></b>					
Footlocker	1,083,065	1,074,035	1,075,914	1,272,938	1,466,288
Hahn's Shoes	2,396,673	2,563,098	2,658,667	2,440,309	2,463,645
Kinney Shoes	914,858	808,454	710,078	772,325	908,616
Thom McAn	573,285	659,975	665,248	714,451	707,926
SUBTOTAL	4,967,881	5,105,562	5,109,907	5,200,023	5,546,475
<b><u>SPECIALTY APPAREL</u></b>					
Arthur Ashe & Friends	6,971	229,493	273,999	289,633	407,049
Britches Great Outdoors	996,981	1,086,293	1,171,921	1,462,754	1,685,021
Brooks Brothers Occupancy Date 5/15/82	--	--	--	2,397,257	3,449,630
Dancewear	252,306	269,292	291,874	314,068	292,626
Gap	1,548,916	1,483,213	1,527,268	1,695,915	1,660,954
Georgetown Leather	958,610	1,156,551	1,212,128	1,169,578	1,215,705
Lane Bryant	1,026,797	1,033,303	1,007,540	1,049,110	1,272,131
Tall Girl Shop	368,083	301,799	299,903	295,137	358,430
Motherhood Maternity	52,114	187,546	176,318	175,780	184,392
Parklane Hosiery	100,942	156,333	182,759	212,221	193,605
Raleigh's	8,231,089	8,173,142	8,689,080	8,696,336	8,915,706
Rosendorf Evans	1,056,714	1,276,785	1,441,670	1,762,245	1,934,745
Royal Formal Wear	506,852	681,049	879,385	888,621	974,512

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>SPECIALTY APPAREL (continued)</u>					
Tannery West Occupancy Date 8/14/82	--	--	--	184,370	390,516
Little Folks Occupancy Date 4/9/83	--	--	--	--	612,547
Victoria's Secret (Opened - 1984)	--	--	--	--	--
SUBTOTAL	15,106,375	16,034,799	17,153,845	20,593,025	23,547,569
<u>MEN'S APPAREL</u>					
Britches of Georgetown	1,526,134	1,962,119	2,093,225	2,398,643	2,568,607
Chess King	409,897	390,473	381,420	443,787	528,347
Proving Ground	590,039	435,073	492,633	359,291	540,942
Steven Windsor	1,387,170	1,280,977	1,511,703	1,636,203	1,664,794
Richman Brothers	1,021,880	899,916	807,316	862,945	985,488
SUBTOTAL	4,935,120	4,968,558	5,286,297	5,700,869	6,288,178
<u>WOMEN'S APPAREL</u>					
Ann Taylor	619,921	737,660	777,269	802,752	1,176,171
Casual Corner	1,248,910	1,293,899	1,339,155	1,216,454	1,626,616
David's Village Shop (Closed 12/31/83)	749,630	776,023	864,312	851,915	848,214
Foxmoor	653,790	569,023	644,436	625,583	609,445
Georgetown Cotton	1,618,304	2,113,575	1,943,721	1,933,994	1,998,647

Tenant Sales History (continued)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<b><u>WOMEN'S APPAREL (continued)</u></b>					
The Limited	690,774	1,490,920	1,631,575	1,756,968	1,991,860
Lerner Shops	259,095	700,646	724,365	727,545	757,775
Pants Place Plus Occupancy Date 8/81	--	--	479,546	936,221	1,153,661
Susies Casuals	400,616	389,166	384,746	373,995	427,495
Caren Charles Occupancy Date 3/31/83	--	--	--	--	570,473
The Talbots Occupancy Date 9/23/83	--	--	--	--	1,410,517
Narragansett (Opened - 1984)	--	--	--	--	--
<b>SUBTOTAL</b>	<b>6,241,040</b>	<b>8,070,912</b>	<b>8,789,125</b>	<b>9,225,427</b>	<b>12,570,874</b>
<b><u>JUNIOR DEPARTMENT STORES</u></b>					
Garfinckles	2,967,811	3,045,214	2,925,668	3,181,312	3,919,312
<b><u>DEPARTMENT STORES</u></b>					
Bloomingdale's * Fiscal Year total ending 1/31/83	30,497,576	31,850,000	34,922,388	37,503,000*	42,665,316
Hecht Company	33,913,594	33,481,730	32,754,800	34,777,656	37,983,878
Woodward & Lothrop	34,908,985	34,517,450	34,264,867	35,584,521	41,377,037
<b>SUBTOTAL</b>	<b>99,320,155</b>	<b>99,849,180</b>	<b>101,942,055</b>	<b>107,865,177</b>	<b>125,945,543</b>
<b>GRAND TOTALS:</b>	<b>\$ 176,459,537</b>	<b>\$ 187,719,188</b>	<b>\$ 202,206,636</b>	<b>\$ 218,481,541</b>	<b>\$ 250,575,626</b>

**APPENDIX B**  
**JOINT VENTURE AGREEMENT**

Appendix B

MBP FIRST DRAFT  
1/16/85

LEHNDORFF TYSONS PROPERTY JOINT VENTURE AGREEMENT

January 15, 1985

## LEHNDORFF TYSONS PROPERTY JOINT VENTURE AGREEMENT

This Joint Venture Agreement is made as of this 15th day of January, 1985, by and among the persons listed as Partners on Schedule A hereto (hereinafter referred to, along with any permitted assigns and additional persons admitted as herein provided, as the "Partners") and Lehndorff & Babson Real Estate Counsel, Inc., a Texas corporation.

WHEREAS, the Partners desire to form a single purpose joint venture pursuant to the Virginia Uniform Partnership Act and desire to constitute themselves a single purpose joint venture organized as a partnership for the purpose of acquiring, leasing, and managing certain property and for other purposes and upon the terms, covenants, and conditions set forth herein; and

WHEREAS, the Partners in the Partnership (hereinafter defined) desire to set forth their respective rights and duties relating to the Partnership; and

WHEREAS, Lehndorff & Babson Real Estate Counsel, Inc. shall serve as the Partnership Manager of the Partnership, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Partners, in consideration of the mutual promises and agreements herein made, and intending to be legally bound, hereby agree as follows:

### ARTICLE 1

#### DEFINITIONS

For purposes of this Agreement, in addition to other terms defined in this Agreement, the following terms shall have the meanings specified in this Article 1:

1.1 "Agreement" shall mean this Joint Venture Agreement, as amended, modified, or supplemented from time to time.

1.2 "Gross Receipts" shall mean all cash and other amounts actually received by the Partnership from all sources, including receipts on the sale or disposition of any part of the Property, except (i) the capital contributions of the Partners made in accordance with Article 3, and (ii) unforfeited security, damage, or similar deposits deposited by the Tenant (as hereinafter defined) of the Property.

1.3 "Ground Lease" shall mean that certain deed of lease dated November 26, 1962, by Tysons Triangle Limited Partnership, as lessor, and Theodore N. Lerner and Isadore Gudelsky, as lessees, as such deed of lease has been amended, modified, and assigned from time to time and as to which the Partnership shall acquire all right, title, and interest, and assume all duties and obligations, of the lessor.

1.4 "Majority Vote" shall mean agreement by Partners whose Percentage Interests, in the aggregate, equal or exceed 51%.

1.5 "Partnership" shall mean the single purpose joint venture formed hereby and organized as a general partnership.



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## LEHNDORFF TYSONS PROPERTY JOINT VENTURE AGREEMENT

This Joint Venture Agreement is made as of this 15th day of January, 1985, by and among the persons listed as Partners on Schedule A hereto (hereinafter referred to, along with any permitted assigns and additional persons admitted as herein provided, as the "Partners") and Lehndorff & Babson Real Estate Counsel, Inc., a Texas corporation.

WHEREAS, the Partners desire to form a single purpose joint venture pursuant to the Virginia Uniform Partnership Act and desire to constitute themselves a single purpose joint venture organized as a partnership for the purpose of acquiring, leasing, and managing certain property and for other purposes and upon the terms, covenants, and conditions set forth herein; and

WHEREAS, the Partners in the Partnership (hereinafter defined) desire to set forth their respective rights and duties relating to the Partnership; and

WHEREAS, Lehndorff & Babson Real Estate Counsel, Inc. shall serve as the Partnership Manager of the Partnership, subject to the terms and conditions hereinafter set forth;

NOW, THEREFORE, the Partners, in consideration of the mutual promises and agreements herein made, and intending to be legally bound, hereby agree as follows:

### ARTICLE 1

#### DEFINITIONS

For purposes of this Agreement, in addition to other terms defined in this Agreement, the following terms shall have the meanings specified in this Article 1:

1.1 "Agreement" shall mean this Joint Venture Agreement, as amended, modified, or supplemented from time to time.

1.2 "Gross Receipts" shall mean all cash and other amounts actually received by the Partnership from all sources, including receipts on the sale or disposition of any part of the Property, except (i) the capital contributions of the Partners made in accordance with Article 3, and (ii) unforfeited security, damage, or similar deposits deposited by the Tenant (as hereinafter defined) of the Property.

1.3 "Ground Lease" shall mean that certain deed of lease dated November 26, 1962, by Tysons Triangle Limited Partnership, as lessor, and Theodore N. Lerner and Isadore Gudelsky, as lessees, as such deed of lease has been amended, modified, and assigned from time to time and as to which the Partnership shall acquire all right, title, and interest, and assume all duties and obligations, of the lessor.

1.4 "Majority Vote" shall mean agreement by Partners whose Percentage Interests, in the aggregate, equal or exceed 51%.

1.5 "Partnership" shall mean the single purpose joint venture formed hereby and organized as a general partnership.

1.6 "Partnership Income" for a specific period shall mean the Gross Receipts for such period less (i) Partnership Expenses for such period and (ii) amounts set aside during such period to maintain the cash reserves of the Partnership, if any.

1.7 "Partnership Expenses" shall mean all expenditures actually made in connection with the ownership and operation of the Property, but excluding the purchase price of the Property and the prepartnership expenses described in Section 10.9 hereof.

1.8 "Partnership Manager" shall mean Lehdorff & Babson Real Estate Counsel, Inc. or such other person from time to time selected by the Partners in accordance with Section 5.9 hereof.

1.9 "Percentage Interest" of each Partner shall mean the percentage set forth opposite such Partner's name under the heading Partnership Percentage Interest in Schedule A attached hereto. In all cases, a Partner's Percentage Interest shall be equal to the percentage representing the ratio of the capital contribution made by such Partner in accordance with Article 3 to the aggregate amount of the capital contributions made by all Partners.

1.10 "Person" shall mean any individual, partnership, corporation, trust, or other entity.

1.11 "Property" shall mean the property described in Schedule B hereto.

1.12 "Tenant" shall mean the Tysons Lehdorff Joint Venture or such other person having the rights and obligations of the lessee under the Ground Lease.

## ARTICLE 2

### FORMATION OF THE PARTNERSHIP

2.1 Formation and Name. The parties hereto hereby form this single purpose joint venture as a general partnership pursuant to the provisions of the Uniform Partnership Act of the State of Virginia, under the name Lehdorff Tysons Property Joint Venture.

2.2 Purpose. The purpose of the Partnership shall be to acquire, own, hold, maintain, manage, operate, lease, and otherwise deal with the Property (and in connection therewith the Partnership shall have the power to dispose of and encumber the Property in any manner) and to do any and all other acts and things which may be necessary, incidental, or convenient to carry on the business of the Partnership.

2.3 Term. The Partnership shall commence on the later of the date that this Agreement is executed and the date that the Partnership Certificate required to be filed pursuant to the laws of the State of Virginia is filed in accordance therewith and shall terminate on December 31, 2084, unless terminated sooner in accordance with this Agreement or by operation of law.

2.4 Principal Office. The principal office of the Partnership shall be c/o Lehdorff & Babson Real Estate Counsel, Inc., 2501 Cedar Springs, Lockbox 2, Dallas, Texas 75201, or at such other place as the Partnership may from time to time determine in accordance with this Agreement.

### ARTICLE 3

#### CAPITAL CONTRIBUTIONS

3.1 Partners; Capital Contributions; Percentage Interest. The name and address of each Partner, the amount of each Partner's required capital contribution, and each Partner's Percentage Interest are set forth in Schedule A attached hereto (as such Schedule may be amended from time to time in accordance with this Agreement) and, by this reference, incorporated herein. The capital contribution of each Partner shall be delivered to the Partnership Manager, in immediately payable funds or otherwise in a form satisfactory to it, on the date of execution of this Agreement.

3.2 No Additional Capital Contributions. No Partner shall be required to make any capital contribution other than as provided in Section 3.1.

3.3 No Withdrawal of Capital Contributions or Payment of Interest Thereon. No Partner shall have the right to withdraw all or any part of its capital contribution prior to the dissolution and liquidation of the Partnership pursuant to Article 9 hereof. No Partner shall have any right to have interest paid to it with respect to its capital contribution.

### ARTICLE 4

#### ALLOCATION OF PROFITS OR LOSSES; DISTRIBUTIONS

4.1 Profits or Losses In General. All items of Partnership income, gain, loss, deduction, credit, and basis shall be allocated among the Partners pro rata in accordance with their Percentage Interests. It is the intent of the Partners that the allocation provided for herein shall be a "qualified allocation" as defined in Section 168(j)(9)(B) of the Internal Revenue Code of 1954, as amended, and any regulations which may be promulgated thereunder. In the event that the Partnership Manager shall determine that such allocation may not be a "qualified allocation", it shall so notify the Partners and recommend an amendment to this Agreement which shall set forth a "qualified allocation". *if problem arises, ptns will reorganize allocations formula to keep tax papers whole in terms of depreciation*

*Potential Problem  
Arise:  
if ptns  
mgr are  
considered  
Partners  
Possible  
solution*

4.2 Distribution of Partnership Income. Partnership Income (which shall not include amounts set aside for the maintenance of reserves), other than proceeds on liquidation of the Partnership, shall be distributed to and among the Partners pro rata in accordance with their Percentage Interests as it is received by the Partnership, no less frequently than on a monthly basis.

4.3 Partnership Expenses Exceeding Gross Receipts. In the event that, for any applicable period, the Partnership Expenses of the Partnership exceed Gross Receipts, no distribution for such period will be made. The Partnership Manager shall notify the Partnership of such fact and indicate whether such excess expenses have been paid from reserves, if any, or through emergency borrowing (to the extent hereinafter authorized).

4.4 Capital Account. A capital account shall be established and maintained for each Partner in accordance with tax accounting methods. Such capital account shall be

(a) increased by (i) all amounts actually contributed by such Partner under Article 3 hereof, (ii) all items of income and gain allocated to such Partner in accordance with Section 4.1 hereof, and (iii) any other item properly reflected as an increase in such Partner's capital account, and (b) decreased by (i) the amount of all cash distributions to such Partner, (ii) all items of loss and deduction allocated to such Partner in accordance with Section 4.1 hereof, and (iii) any other item properly reflected as a decrease in such Partner's capital account.

**4.5 Distribution on Liquidation.** Upon liquidation of the Partnership, the proceeds therefrom shall be distributed in accordance with the Partners' respective capital account balances. If any Partner shall have a deficit in its capital account following allocation of all profits and losses and distribution of the proceeds on liquidation, such Partner shall make a capital contribution to the Partnership in the amount of such deficit. Such capital contribution shall be paid to creditors and the excess, if any, shall be distributed to the Partners with positive capital account balances in accordance with such balances.

## ARTICLE 5

### MANAGEMENT OF THE PARTNERSHIP

**5.1 Appointment of Partnership Manager.** The affairs of the Partnership shall be managed and administered by the Partnership Manager subject to the provisions of this Article 5. The Partnership hereby appoints Lehdorff & Babson Real Estate Counsel, Inc. to serve as the Partnership Manager of the Partnership as provided in this Article 5 and Lehdorff & Babson Real Estate Counsel, Inc., by executing this Agreement, hereby accepts such appointment and agrees to be bound by the terms hereof.

**5.2 Relationship.** The Partnership Manager shall at all times be an independent contractor and not an employee of the Partnership. The Partnership Manager shall have the right and power to contract with third parties on behalf of, or in the name of, the Partnership or otherwise to bind the Partnership if the expenditures, services, or obligations evidenced by such contract have been approved by the Partners. In the exercise of its powers or in performance of any of its obligations hereunder, the Partnership Manager is expressly authorized to act through its affiliates.

**5.3 Authority of Partnership Manager.** The Partnership Manager, on behalf of the Partnership, shall have the following duties and powers:

(a) to execute on behalf of the Partnership all agreements, assignments, documents, and instruments necessary for the acquisition of the Property at the closing of such acquisition and to execute on behalf of the Partnership, as assignee, an assignment of the Ground Lease pursuant to which the Partnership shall acquire all of the lessor's right, title, and interest in and to the Ground Lease and assume all of the lessor's duties, obligations, and responsibilities thereunder;

(b) to enforce all of the Partnership's rights as the lessor under the Ground Lease (including such rights accruing to the lessor under insurance policies and mortgages affecting the Property), to collect all rents under the Ground Lease and other income and proceeds from the Property and all other amounts due and payable to the Partnership, to take all actions as the Partnership Manager shall deem reasonably necessary to enforce

*Partnership Agent*  
*Like Partner -*  
*Duties, responsibilities*  
*related to the*  
*unlike Partner - go day*  
*termination*

such rights and to effect such collections (including instituting any legal proceedings to enforce such rights and to effect such collections and retaining legal counsel therefor), to disburse expenses and other amounts payable (including distributions of Partnership Income), to establish bank accounts in the name of and on behalf of the Partnership, to deposit and withdraw funds from such accounts in the name of the Partnership, and to hold in cash amounts maintained in reserves or other available funds or to invest such amounts in its discretion in liquid investments, including short-term U.S. government securities, interest bearing deposits, bankers' acceptances, other short-term money market instruments or money market funds containing such investments;

(c) to take all necessary action required to be taken by the Partnership to comply with all of its obligations as the lessor under the Ground Lease, and, upon authorization by Majority Vote of the Partners, to negotiate and execute renewals, modifications, extensions, or replacements of the Ground Lease or additional ground leases;

(d) to maintain appropriate books and records of the operations of the Partnership and the Property and the Partnership Manager's activities with respect thereto;

(e) to select and, and unless rejected by a Majority Vote of the Partners, to retain a firm of certified public accountants to audit at least annually the books and records with respect to the Partnership;

(f) to make expenditures (but not exceeding \$250,000 during any calendar year except in the case of emergencies) without the prior approval of the Partners and to take such other actions which the Partnership Manager, in good faith, believes are for the benefit of the Partnership, whether in emergencies or otherwise, including the power to borrow in the name of the Partnership to meet Partnership Expenses or emergency expenditures, but only to the extent thereof;

(g) to prepare and execute reports, documents, or instruments required by any governmental authority;

(h) to take such other actions as may be authorized by the Partnership from time to time and any action incident thereto; and

(i) to perform such other duties as may be provided in this Agreement.

5.4 Action by Partnership Manager Requiring Specific Authorization. The Partnership Manager shall have no authority or power with respect to any of the following unless specifically authorized by Majority Vote of the Partners:

(a) to transfer, sell, convey, encumber, or assign the Property (in whole or in part);

(b) to borrow any money or refinance any existing indebtedness of the Partnership or to encumber, mortgage, secure, transfer, convey, or assign any interest in the Property as security for such borrowing or refinancing or for any other purpose (except to the extent within the limited borrowing power of the Partnership Manager in accordance with Section 5.3(f) hereof);

(c) to decide what actions are to be taken on the occurrence of any casualty in excess of \$100,000 not reimbursed by insurance or on the condemnation of part or all of the Property; and

(d) to make any capital expenditures.

#### 5.5 Expenses.

(a) The Partnership shall be responsible for and shall reimburse the Partnership Manager for all costs, expenses, and disbursements properly incurred by it in providing services in accordance with this Agreement. All debts and liabilities to third parties (including affiliates of the Partnership Manager) approved by the Partners shall be debts and obligations of the Partnership only, and the Partnership shall indemnify and hold harmless the Partnership Manager from any such debts or obligations.

(b) The Partnership Manager shall not be obligated to make any advance to or for the account of the Partnership or to pay any sums except out of funds of the Partnership held by the Partnership Manager in accordance with this Agreement, and the Partnership Manager shall not be obligated to incur any liability or obligation for the account of the Partnership without assurance reasonably satisfactory to the Partnership Manager that the Partnership will provide the necessary funds for the discharge of such liability or obligation.

#### 5.6 Exculpation and Indemnification.

(a) The Partnership Manager and its officers, directors, agents, employees, and persons controlling the Partnership Manager shall not be liable, responsible, or accountable in damages or otherwise to the Partnership or any Partner for any action taken or failure to act on behalf of the Partnership within the scope of the authority conferred on the Partnership Manager by this Agreement or by law, unless such action or omission was performed or omitted fraudulently, was a consequence of its or their gross negligence, constituted a material breach of this Agreement, or was in breach of a fiduciary or similar duty expressly imposed by applicable law.

(b) The Partnership shall indemnify and hold harmless the Partnership Manager and its officers, directors, agents, employees, and persons controlling the Partnership Manager from and against any loss, expense, damage, or injury suffered or sustained by it or them by reason of any acts, omissions, or alleged acts or omissions arising out of its or their activities on behalf of the Partnership or in furtherance of the interests of the Partnership, including, but not limited to, any judgment, award, settlement, reasonable attorneys' fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim, provided that the acts, omissions, or alleged acts or omissions upon which such actual or threatened action, proceeding, or claim are based were in good faith, were not performed or omitted fraudulently or as a consequence of its or their gross negligence, did not constitute a material breach of this Agreement, and were not in breach of a fiduciary or similar duty expressly imposed by applicable law. Such indemnification shall be made only to the extent of the assets of the Partnership.

*McPherson  
eliminate  
"Gross"  
or have  
sole purpose  
subsidiary*

(c) The Partnership Manager shall indemnify and hold harmless the Partnership and each of the Partners from and against any loss, expense, damage, or injury suffered or sustained by it or them, including, but not limited to, any judgment,



award, settlement, reasonable attorneys' fees, and other costs or expenses incurred in connection with the defense of any actual or threatened action, proceeding, or claim, arising from any act or omission by the Partnership Manager or its officers, employees, and agents which was performed or omitted fraudulently or as a consequence of gross negligence, which constituted a material breach of this Agreement, or which was in breach of a fiduciary or similar duty expressly imposed by applicable law.

(d) The provisions of this Section 5.6 shall survive the termination of the resignation or removal of the Partnership Manager by the Partnership.

**5.7 Acknowledgement of Fiduciary Status.** To the extent that the assets of the Partnership are deemed to be assets of any Partner which is an employee benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), the Partnership Manager hereby acknowledges that it is a fiduciary within the meaning of Section 3(21)(A) of ERISA of each such Partner.

**5.8 Management by Partners.**

(a) No Partner shall have any authority to act for or to undertake or assume any obligation, debt, duty, or responsibility on behalf of the Partnership unless authorized by a Majority Vote of the Partners. It is the intention of the Partners that, to the extent feasible, all actions taken on behalf of the Partnership shall be taken by the Partnership Manager and its authorized delegates. If any Partner shall act or attempt to act on behalf of the Partnership without authority therefor, such Partner shall indemnify and hold harmless the Partnership, and each of the other Partners, from and against any loss, expense, damage, or injury suffered by reason of such act, including, but not limited to, any judgment, award, settlement, or reasonable attorneys' fees in connection therewith.

(b) Except as otherwise provided in this Agreement, matters before the Partners shall be decided by Majority Vote. In any vote on which the Percentage Interests are equally divided, the vote shall not be final for fourteen days thereafter, and, upon demand by any Partner, the Partnership Manager shall, within such fourteen days, call for a second vote on such matter. If the second vote is likewise equally divided, or if there is no call for a second vote within such fourteen days, the vote shall be final as originally taken.

(c) The Partners shall hold meetings from time to time as the Partnership Manager may deem appropriate, but not less frequently than annually and, in any case, at the call of such Partners whose Percentage Interests in the aggregate exceed 35%. The Partnership Manager shall provide reasonable notice to the Partners of the time and place of such meetings and the matters to be decided or discussed. Participation in meetings may be by means of conference telephone call or similar telecommunications by means of which all persons participating in the meeting can hear, and speak to, each other at the same time.

(d) Each of the Partners, from time to time, shall designate in writing to the Partnership Manager the name of the person duly authorized to represent such Partner to receive all notices and reports required hereunder, and to vote on matters brought before the Partnership. The initial authorized representatives of each Partner are listed on Schedule C, attached hereto.

(e) Voting shall take place at meetings, provided, however, that any number of Partners whose Percentage Interests, in the aggregate, equal or exceed that required for any matter to be voted on may, at any time, and without a meeting therefor, notify the Partnership Manager of their vote on such matter, and the Partnership Manager shall notify the other Partners of such vote promptly thereafter.

5.9 Resignation or Removal of Partnership Manager. The Partnership Manager shall be permitted to resign without liability therefor from its position upon written notice to the Partnership thereof of not less than thirty days. The Partners shall have the power to remove the Partnership Manager without liability therefor upon written notice to such Partnership Manager of not less than thirty days, which removal shall occur only upon approval thereof by a Majority Vote. In the event of the resignation or removal of the Partnership Manager, the Partners shall approve by a Majority Vote a replacement for such Partnership Manager. In any transition period between the resignation or removal of the Partnership Manager and the full assumption of the Partnership Manager's functions by the selected replacement, the Partnership Manager shall take all necessary and appropriate steps to ensure an orderly transition therefor, including continuing to act as Partnership Manager in a full or limited capacity (but only upon the specific authorization by the Partnership therefor), providing reasonable assistance to such replacement, and delivering all books, records, documents and instruments of the Partnership to such replacement.

5.10 Representations of the Partnership and the Partnership Manager. The Partnership and the Partnership Manager each hereby represents that, in entering into this Agreement, the Partnership and the Partnership Manager have not relied on any projection of earnings, statements as to the possibility of future success, or other similar matter which may be prepared by either party, and each understands that no guaranty, warranty, or representation is made or implied by either party as to the future financial success of the Property. Each of the parties represents that neither it nor any person associated with it, other than the Partnership Manager, will issue any press release, advertising, promotion, or other statement intended for general publication regarding the transactions contemplated by this Agreement without the consent of the Partnership Manager.

## ARTICLE 6

### ASSIGNMENT OF PARTNERSHIP INTERESTS

6.1 General. No Partnership interest, or portion thereof, may be assigned (including made subject to a security interest or mortgage), sold, or transferred except in accordance with this Article 6.

6.2 Assignment to Partner. Any Partner may assign, sell, or transfer its Partnership interest, or portion thereof, to any other Partner and at any time.

6.3 Assignment to Person Other Than Partner.

(a) Any Partner (the "Selling Partner") may assign, sell, or transfer all or any part of its Partnership interest to a party other than a Partner subject to the provisions of this Section 6.3.

(b) The Selling Partner shall first provide a written offer (the "6.3 Offer") to each of the other Partners stating the price and other terms on which the Selling Partner proposes to sell. If, within forty-five days after receipt by such other Partners of such 6.3 Offer, no Partner accepts such 6.3 Offer, then, for a period of one hundred eighty days thereafter, the Selling Partner (subject to subsection (d) hereof) may agree to assign, sell, or transfer its Partnership interest to a person other than a Partner (and the closing for such transaction shall occur within sixty days after the end of such one hundred eighty day period); provided, however, that such assignment, sale, or transfer shall be at a price equal to at least the price contained in the 6.3 Offer, and shall be on terms which shall be no more favorable to such other person than the terms contained in the 6.3 Offer; and provided, further, that it shall be a condition to the consummation of such assignment, sale, or transfer that such other person shall agree to become a party to, and be bound by all of the terms of, this Agreement.

(c) If, within such forty-five day period, any Partner (the "Responding Partner") accepts such 6.3 Offer, the Selling Partner shall assign, sell, or transfer to the Responding Partner, and the Responding Partner shall purchase from the Selling Partner, such Partnership interest in accordance with the 6.3 Offer, and the closing for such transaction shall occur within one hundred twenty days after such acceptance at the date and place designated by the Responding Partner or as otherwise agreed upon by the Responding Partner and the Selling Partner. If there shall be more than one Responding Partner, each Responding Partner shall pay a pro rata portion of the total purchase price and purchase that portion of the Selling Partner's Partnership interest which shall be determined in accordance with the respective Percentage Interests of each of the Responding Partners (prior to giving effect to such transaction) or as all of the Responding Partners may otherwise agree.

(d) If there is no Responding Partner, and thereafter the Selling Partner desires to assign, sell, or transfer its Partnership interest to another person (the "Offeree") in accordance with subsection (b) hereof, the Selling Partner shall notify each of the Partners of the identity of the Offeree. At any time within twenty days after receipt of such notice, the Partners, other than the Selling Partner, by majority vote of the Percentage Interests of such other Partners, may reject the Offeree (and so notify the Selling Partner) on the basis of poor business reputation, lack of creditworthiness, incompatible business purposes, or any legal ground raised by counsel for any Partner. In such case, the Selling Partner may not assign, sell, or transfer its Partnership interest to the Offeree. If the Offeree is not so rejected, the Selling Partner may assign, sell, or transfer its Partnership interest to such Offeree, and, as of the date of the closing thereof, such Offeree shall be deemed admitted to the Partnership and a party to this Agreement. The determination of whether the Offeree shall be so rejected by the Partnership shall be on the basis of a majority vote of the Percentage Interests, excluding the Percentage Interest of the Selling Partner.

(e) In the event of any dispute arising under subsection (d) hereof, such dispute shall be submitted to and be finally determined by the American Arbitration Association, in accordance with its rules then in force, and each of the parties to such dispute shall bear its own respective costs and expenses therefor.

#### 6.4 Buy-Sell Provisions.

(a) Any Partner or Partners whose Percentage Interests, in the aggregate, equal or exceed 50% (the "Tendering Partners") may require all (and only all) of the other

Partners (the "Nontendering Partners") to sell all of the Nontendering Partners' entire Partnership interests to the Tendering Partners in accordance with this Section 6.4 (a "Required Sale").

(b) The Tendering Partners may not effect a Required Sale unless (i) there shall have been presented to the Partners a matter required or permitted to be voted upon by the Partners for approval or authorization and the final vote therefor shall have been insufficient for such approval or authorization and (ii) within thirty days after such vote, the Tendering Partners (who shall have voted in favor of the matter requiring authorization or approval) shall have first offered in writing to sell all of the Tendering Partners' entire Partnership interests to the Nontendering Partners upon the terms contained in such offer (the "6.4 Offer"). The 6.4 Offer shall indicate an amount which the Tendering Partners believe is equal to the value of the Partnership interests of all of the Partners (the "Partnership Value") and the price at which each of the Tendering Partners proposes to sell its respective Partnership interest to the Nontendering Partners, which price shall equal the pro rata portion of the Partnership Value determined in accordance with the Percentage Interests of the Tendering Partners (the "Tender Price"). If none of the Nontendering Partners accepts the 6.4 Offer within forty-five days after receipt thereof, the Tendering Partners shall thereafter purchase, and each Nontendering Partner shall sell, such Nontendering Partner's Partnership interest upon the terms contained in the 6.4 Offer at a price equal to the Partnership Value multiplied by such Nontendering Partner's Percentage Interest.

(c) If the 6.4 Offer is accepted by any or all of the Nontendering Partners, the Tendering Partners shall be obligated to sell, and such Nontendering Partners shall be obligated to purchase, the Tendering Partners' entire Partnership interests in accordance with the 6.4 Offer at the Tender Price. Such Nontendering Partner, upon acceptance, shall be required to make a nonrefundable deposit of 10% of the purchase price therefor in accordance with the instructions of the Tendering Partners, which deposit shall be credited against the purchase price upon the closing of such purchase and sale. Nontendering Partners not accepting the 6.4 Offer shall not be obligated in any way to sell their Partnership interests to the accepting Nontendering Partners, and the accepting Nontendering Partners shall have no obligation to purchase such Partnership interests. In the event that more than one Nontendering Partner accepts the 6.4 Offer, each such Nontendering Partner shall pay a pro rata portion of the purchase price, make that portion of the required deposit, and purchase that portion of the Tendering Partners' Partnership interests, determined in accordance with the respective Percentage Interests of each of the Nontendering Partners accepting such 6.4 Offer, or as such accepting Nontendering Partners may otherwise agree.

(d) The closing for the transactions contemplated in this Section 6.4 shall occur within one hundred twenty days after the date of the acceptance of the 6.4 Offer, or the date of receipt of the notice of a Required Sale, as the case may be, at the date and place designated by the Partners purchasing the Partnership interests of other Partners pursuant to this Section 6.4 or as otherwise may be agreed upon by the parties to such transaction.

(e) In any case that application of this Section 6.4 conflicts with the application of Section 6.3 hereof, this Section 6.4 shall govern, and no transaction under Section 6.3 may be consummated until such time as any transaction under this Section 6.4 shall first have been consummated.

**6.5 Partnership Manager Coordination.** All offers, acceptances, and other notifications required to be given to any Partner pursuant to this Article 6 shall be deemed to have been received by such Partner when received by the Partnership Manager. The Partnership Manager shall coordinate and otherwise establish procedures by which all offers, acceptances, notifications, and deposits are made under this Article 6 in a timely and efficient manner. Upon the consummation of any of the transactions contemplated herein, the Partnership Manager shall amend Schedule A hereto in order to restate the Partners and Percentage Interests thereof and, if necessary, prepare for execution and cause to be filed any certificates or other instruments with appropriate public offices.

**6.6 Lehndorff Tysons Joint Venture.** In any case where a Partner shall be permitted or required to assign, sell, or transfer any or all of its interest in the Partnership to any person, such Partner shall be required to assign, sell, or transfer to such person simultaneously therewith its interest in the Lehndorff Tysons Joint Venture to the same extent. Such assignment, sale, or transfer shall be governed by the provisions of Article 6 of the Lehndorff Tysons Joint Venture Agreement executed by the parties hereto on even date herewith which corresponds to the applicable provisions of this Article 6 with respect to the assignment, sale, or transfer of an interest in the Partnership. The conditions to any assignment, sale, or transfer of an interest in the Partnership imposed under Sections 6.4(b)(i) and 6.4(b)(ii) of this Agreement, if applicable, shall be deemed satisfied to the extent that the corresponding conditions imposed under Sections 6.4(b)(i) and 6.4(b)(ii) of the Lehndorff Tysons Joint Venture Agreement have been satisfied.

## ARTICLE 7

### PARTNERSHIP BOOKS, RECORDS, AND STATEMENTS

**7.1 Books and Records.** The Partnership Manager shall keep and maintain accurate Partnership records and books of account. The Partnership books of account shall be kept and maintained in accordance with generally accepted accounting practices and principles on a calendar year accrual basis.

**7.2 Statements.** The Partnership Manager shall, within a reasonable time after the close of each calendar year, furnish each Partner with audited financial statements. The expense of the auditor in preparing such audited financial statements shall be paid by the Partnership.

**7.3 Other Reports.** The Partnership Manager shall make available to the Partners from time to time reports in a form customarily used by it or in such other form as may be agreed upon by the Partnership Manager and the Partners and shall periodically review with the Partners the performance of the Property. The Partnership Manager shall prepare such other additional reports as may be reasonably requested by the Partners.

**7.4 Tax Matters.** The Partnership income tax returns shall be prepared on an accrual basis, and the taxable year of the Partnership shall be the calendar year. The Partnership Manager shall deliver copies of the Partnership income tax returns to the Partners at least thirty calendar days prior to the applicable statutory due date for filing and shall file such returns on behalf of the Partnership if no objection thereto is received from any of the Partners. If such objection is received, the tax return shall be filed after approval by a Majority Vote.

## ARTICLE 8

### DEFAULT PROVISIONS

8.1 Events of Default. The occurrence of any one or more of the following events (herein sometimes called a "default") caused or suffered by a Partner shall constitute a default (subject to the grace periods provided for herein) under this Agreement. The Partner so defaulting is hereinafter referred to as the "Defaulting Partner", and the Partners who are not in default are hereinafter referred to as the "Non-Defaulting Partners":

(a) the failure of a Partner to perform or comply with any of the covenants, conditions, and agreements of this Agreement to be performed or complied with by such Partner;

(b) the falsity in any material respect of any representations and warranties made hereunder by a Partner;

(c) the filing or making by a Partner of: (1) an application for or consent to the appointment of a receiver, trustee in bankruptcy, or liquidator of itself or its assets, (2) a voluntary petition in bankruptcy or a pleading in any court admitting in writing its inability to pay its debts as they become due, (3) an answer admitting material allegations of or consenting to, or a default in answering, an involuntary petition filed against it in any bankruptcy proceedings, (4) a general assignment for the benefit of its creditors, or (5) any other application by a Partner relating to any insolvency proceeding or dissolution; or

(d) the entry of an order of relief by any court of competent jurisdiction against a Partner in any such Partner's insolvency proceeding or dissolution, or appointment of a receiver, trustee in bankruptcy, or liquidator of such Partner or its assets (and the continuation of such order, judgment, or decree unstayed and in effect for a period of sixty consecutive days after the entry thereof).

8.2 Grace Period. With respect to any default under Section 8.1(b) not involving an obligation to make a capital contribution, a Defaulting Partner shall be deemed to have a grace period of thirty days after receipt of written notice of such default to cure such default; provided, however, that (A) if such default cannot with due diligence and in good faith be cured within said thirty days, and (B) if the Defaulting Partner forthwith upon notice of such default commences and proceeds with due diligence and good faith to cure such default and thereafter to complete the full cure of such default, the grace period with respect to such default shall be extended for only such a period as may be necessary for the curing of such default with due diligence and in good faith.

8.3 Remedies Reserved. Upon default by a Partner under this Agreement, any Non-Defaulting Partner shall have the rights and remedies available to a Non-Defaulting Partner as a matter of law or equity.

## ARTICLE 9

### DISSOLUTION

9.1 General Dissolution Provision. The Partnership shall dissolve upon the first to occur of the following and not upon any other event, act, or occurrence:

- (a) the sale of all of the Property;
- (b) the happening of any other event causing dissolution of the Partnership under the laws of the State of Virginia;
- (c) only one Partner remains in the Partnership;
- (d) upon a Majority Vote; and
- (e) December 31, 2084.

### 9.2 Distribution on Dissolution; Reserves.

(a) Upon the dissolution and termination of the Partnership, the Partners shall appoint a liquidating trustee (the "Trustee") who shall take appropriate action to liquidate the Partnership assets and settle the liabilities of the Partnership, including the establishment and maintenance of cash reserves to cover contingent liabilities. The proceeds on liquidation shall be distributed in accordance with Section 4.5. Such liquidation may be accomplished, as determined by Majority Vote, either by sale of Partnership assets and distribution of the proceeds thereof or by distributions in kind of undivided interests in the Partnership assets or any combination of the foregoing.

(b) After all of the assets of the Partnership have been distributed in accordance with subsection (a), the Partnership shall terminate; provided, however, if at any time thereafter any funds in any cash reserves referred to in subsection (a) above are released because the need for such funds has ended, such funds shall be distributed to the Partners in the same manner as provided in subsection (a). Within a reasonable time following the liquidation of the Partnership's assets in accordance with subsection (a), the Trustee shall supply to each of the Partners a statement audited by independent certified public accountants which shall set forth the assets and liabilities of the Partnership as of the date of liquidation, each Partner's pro rata share of distributions, and the amount retained as reserves by the Trustee pursuant to subsection (a).

## ARTICLE 10

### MISCELLANEOUS PROVISIONS CONCERNING PARTNERS, PARTNERSHIP INTERESTS, OR THE PARTNERSHIP

10.1 No Rights in Property. No Partner shall have any right to demand or receive property other than cash at any time (whether in return for its capital contribution to the Partnership or otherwise).

10.2 Wrongful Dissolution. Except as provided in Section 9.1 and authorized by Majority Vote, no Partner shall have any right to have dissolution or winding up of the

Partnership by decree of court or otherwise, and each Partner hereby irrevocably waives and releases any and all such rights he may otherwise have had under applicable law. Any Partner who shall in any way effect a wrongful dissolution of the Partnership shall be liable to the other Partners therefor, and such Partner's Partnership interest shall be subject to lien or attachment as security for such liability.

10.3 Exculpatory Provision. Each Partner shall look solely to the assets of the Partnership for all distributions provided for in this Agreement, whether as a return of such Partner's capital contribution in liquidation or otherwise, and no Partner shall have any recourse therefor against any other Partner.

10.4 No Partition. The Partners agree that the Partnership property is not and will not be suitable for partition. Accordingly, each Partner hereby irrevocably waives any and all rights (if any) that it may have to maintain any action for partition of the Partnership property or any of it.

10.5 No Withdrawal. Except as provided in Article 6, no Partner may withdraw from the Partnership without consent by majority vote of the Percentage Interests of the other Partners.

10.6 Amendment. This Agreement may be amended at any time, and from time to time, upon unanimous consent of the Partners. This Section 10.6 shall not apply to amendments to Schedule A otherwise made in accordance with this Agreement.

10.7 Further Assurances. Each Partner shall execute, sign, acknowledge, swear to, and deliver such further instruments and do such further acts and things as may be required to carry out the intent and purpose of this Agreement.

10.8 Admission of New Partners. No person may be admitted as a Partner to this Partnership and become a party to this Agreement, except as provided in Article 6 hereof.

10.9 Prepartnership Expenses. The Partnership shall reimburse Lehndorff & Babson Real Estate Counsel, Inc. for expenses incurred in the formation of the Partnership, including, but not limited to, the costs of preparation of the documentation therefor and the fees of legal counsel and other professionals retained in connection therewith.

## ARTICLE 11

### REPRESENTATIONS

11.1 Representation of Qualified Trusts. Each of the undersigned which constitutes a "qualified trust" under Section 401 of the Internal Revenue Code of 1954, as amended, hereby represents and warrants that as of the date hereof (and with respect to any such qualified trust admitted to the Partnership after the date hereof, as of the date of such admission) that: (a) neither Connecticut General Life Insurance Company nor any person who is a lessee (or sublessee) of the Property, or any part thereof, bears a relation to such qualified trust which is described in Section 4975(e)(2)(C) of the Internal Revenue Code of 1954, as amended, and (b) neither Connecticut General Life Insurance Company nor any person who is a lessee (or sublessee) of the Property, or any part thereof, bears a



relationship described in Section 4975(e)(2)(E), (F), (G), or (H) of the Internal Revenue Code of 1954, as amended, to any other person described in said Section 4975(e)(2)(C) having such a relationship with such qualified trust.

11.2 Representation of Due Authority, Etc. Each of the parties hereby represents and warrants that it is duly organized, existing, and in good standing under applicable law, that it has full and unrestricted authority and power to enter into this Agreement and to perform its obligations hereunder, and that, to the best of the knowledge of such party, there exists no material fact not heretofore disclosed to the other parties which might materially and adversely affect such performance hereunder.

## ARTICLE 12

### OTHER AGREEMENTS

12.1 Notices. All notices, communications, and payments required or permitted to be given or made to any party hereto shall be deemed to be made or given when delivered in person or by messenger to such party or the third day after the date of deposit postage prepaid in the United States mails, addressed to it at its address as set forth in Schedule C hereto or at such other address as such party may hereafter specify in writing to the other parties.

12.2 Captions. All Article or Section titles or captions contained in this Agreement are for convenience only and shall not be deemed part of the text of or indicative of the purpose, meaning, or intent of this Agreement.

12.3 Severability. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, this Agreement shall be inapplicable to the extent of such invalidity, but the remainder of this Agreement, or the application of such provision to persons or circumstances other than those to which it is held invalid, shall not be affected thereby.

12.4 Entire Agreement. This Agreement contains the entire understanding and agreement among the parties and supersedes any prior understanding or written or oral agreements among them respecting its subject matter. There are no other representations, agreements, arrangements, or understandings, oral or written, among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

12.5 Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, administrators, executors, legal representatives, successors, and assigns. The preceding sentence shall not in any way be deemed to affect, diminish, or restrict the limitations on transferability set out elsewhere in this Agreement.

12.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and all such counterparts shall together constitute but one and the same instrument, which instrument shall for all purposes be sufficiently evidenced by any such executed counterpart.

12.7 No Third Party Beneficiary. This Agreement is made solely and specifically

between and for the benefit of the parties hereto, and no other person shall have any rights, interest, or claims hereunder or be entitled to any benefits under or on account of this Agreement as a third party beneficiary or otherwise.

**12.8 Governing Law.** This Agreement and the rights of the parties hereunder shall be governed by and construed in accordance with the laws of the State of Virginia.

IN WITNESS WHEREOF, each of the undersigned, by its duly authorized representatives, hereby execute and deliver this Agreement as of the date first above written.

[SIGNATURES]

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Undersigned hereby accepts the appointment to serve as Partnership Manager for the Partnership on the terms and conditions hereinabove set forth.

LEHNDORFF & BABSON REAL ESTATE  
COUNSEL, INC.

Date:

BY:

\_\_\_\_\_  
G. Andrews Smith, Executive Vice President  
and General Counsel

## SCHEDULE A

The following sets forth, with respect to each Partner in the Partnership, its name, address, its capital contribution to the Partnership, and its Partnership Percentage Interest in the Partnership.

<u>Name and Address</u>	<u>Capital Contribution</u>	Partnership Percentage <u>Interest</u>
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SCHEDULE B

Description of the Property

SCHEDULE C

Authorized Representatives of the Partners

Partner

Authorized Representative

Partnership Manager

Lehndorff & Babson Real Estate Counsel, Inc.  
2501 Cedar Springs  
Lockbox 2  
Dallas, Texas 75201  
Telecopier: (214) 871-7688  
Attention: G. Andrews Smith, Executive  
Vice President and General Counsel

APPENDIX C

RENT ROLL

# Appendix C

## RENT ROLL

### TYSONS CORNER REGIONAL SHOPPING CENTER McLean, Virginia

Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I. / Other Comments
H-A Amal's Flowers	1) 240 (Wall Store)	1) \$ 31,494	1) \$131.23	1/2/83 2/28/87	10% over \$314,940	N/A	N/A	N/A	N/A	C.P.I. - A1
E-1A American Bell	1) 1,875 2) 672	1) 68,484 2) 2,454	1) \$36.52 2) \$ 3.65	11/1/80 10/31/85	N/A	B2 11¢ (79/80)	C2 17¢	D2 60¢	E2 \$2.50 \$4.50 \$ .15	C.P.I. - A1, 7% Cap. C.P.I.
J-8 American Express	1) 1,170	1) 34,272	1) \$29.29	7/25/78 7/24/88	N/A	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50	C.P.I. - A1, 6% Cap
J-3A Ann Taylor, Inc.	1) 3,000 2) 3,000 (Storage)	1) 45,000	1) \$15.00	11/4/76 11/31/91	5% over \$900,000	B1	C2 \$1.25	D1 30¢ annual C.P.I.	E7	C.P.I. - A1, 1986
J-6 Arthur Ashe	1) 600 2) 712	1) 23,080 2) 2,795	1) \$38.47 2) \$ 3.92	1/1/80 12/31/89	7% over \$384,660	B2 (1980)	C2 17¢	D2	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1
G-18 BK1 (Keller Co., Inc.)	2) 3,194 (Office)	2) 36,040	2) \$11.28	12/1/78 12/31/84	N/A	N/A	N/A	N/A	N/A	C.P.I. - A1
E-2A Bailey, Banks & Biddle	1) 4,650 2) 1,320 (Storage) 2) 617 (Storage)	1) 200,000 2) 4,157 2) 3,085	1) \$43.00 2) \$ 3.15 2) \$5.00* * Fixed	4/15/83 12/31/95	5% over \$4,000,000	B2 17¢ (1982)	C2 21¢	D2 60¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
D-8 Baker Shoes	1) 3,900 2) 2,579 (Storage)	1) 31,596 2) No Rent	1) \$ 8.10 --	7/25/68 7/24/88	6% over \$526,600	B1 25¢ Stop \$.25 psf not to exceed \$.10xsf=\$390	C1	D1	E1 \$1.50	C.P.I. - A2, except every 5th year.
F-3A Baldwin Piano (Campbell's Music)	1) 3,750 2) 4,270 (Storage)	1) 68,372 2) No Rent	1) \$18.23 --	9/1/82 12/31/85	5% over \$1,367,440	B2 17¢ (1982)	C2 21¢	D2 65¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A1
F-2 Joan Bari	1) 1,000 2) 1,000 (Storage)	1) 8,000 2) No Rent	1) \$ 8.00 --	7/25/68 7/24/88	6% over \$133,333	B1 25¢ Stop	C1	D1	E1 \$1.50	--

Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
E-8 Becker's Leather Goods	1) 3,120 2) 1,170 (Storage)	1) Yrs. 1-5 62,400 Yrs. 6-10 78,000 2) 4,755	1) Yrs. 1-5 \$20.00 Yrs. 6-10 \$25.00 2) \$ 4.06	11/10/83 12/31/93	6% over (Yrs. 1-5) \$1,040,000 (Yrs. 6-10) \$1,300,000	B2 19¢ (1983)	C2 21¢	D2 65¢	E2 1) \$2.00 2) \$4.50 3) \$ .15	C.P.I. - A3
E-7 Benetton I.B.S., Inc.	1) 1,500 2) 585 (Storage)	1) Yrs. 1-2 57,000 Yrs. 3-4 60,000 Yrs. 5-6 63,000 Yrs. 7-8 66,000 Yrs. 9+ 72,000 2) 1,170	1) Yrs. 1-2 \$38.00 Yrs. 3-4 \$40.00 Yrs. 5-6 \$42.00 Yrs. 7-8 \$44.00 Yrs. 9+ \$48.00 2) \$ 2.00	9/1/84 8/31/94	7% over (Yrs. 1-2) \$814,286 (Yrs. 3-4) \$857,143 (Yrs. 5-6) \$900,000 (Yrs. 7-8) \$942,857 (Yrs. 9+) \$1,028,571	B2 21¢ (1984)	C2 23¢	D2 70¢	E2 \$3.50 \$3.50 \$ .15	--
K-1 Black, Starr & Frost	1) 2,987	1) 110,846	1) \$37.11	9/1/79 8/31/89	6% over \$1,583,514	B2 10.5¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
C Bloomingdales Department Store	1) 231,888	1) 336,238	1) \$ 1.45	11/27/74 10/19/99	2%-\$16,811,900 1% on the next \$2,000,000 and 3/4% on excess.	B3	10¢ per sq.ft. per annum	.5¢ per sq.ft. per annum	Tenant pays.	Successive 10 year renewal options at same terms, extending to 11/26/2073.
K-5A Britches of Georgetown	1) 4,350 2) 874	1) 50,000 2) No Rent	1) \$11.50	6/7/76 11/30/86	5% over \$900,000	B1	C1	D1	E1	--
G-4 Britches Great Outdoors	1) 4,500 2) 1,500 (Storage)	1) Yrs. 1-5 112,500 Yrs. 6-12 135,000 2) 3,000	1) Yrs. 1-5 \$25.00 Yrs. 6-12 \$30.00 2) \$ 2.00	2/2/84 2/1/96	4% over (Yrs. 1-5) \$2,250,000 (Yrs. 6-12) \$2,700,000	B2 19¢ (1983)	C2* 21¢ *with credit if actual below 21¢	D2 65¢	E2 \$2.00 \$4.50 \$ .15	--
O-3 Brooks Brothers	1) 12,664 2) 1,953 (Storage)	1) Yrs. 1-5 101,312 Yrs. 6-10 126,640 Yrs. 11-15 151,968 Yrs. 16+ 177,296 2) No Rent	1) Yrs. 1-5 \$8.00 Yrs. 6-10 \$10.00 Yrs. 11-15 \$12.00 Yrs. 16+ \$14.00 --	11/1/79 1/31/2000	4% over (Yrs. 1-5) \$2,532,800 (Yrs. 6-10) \$3,166,000 (Yrs. 11-15) \$3,799,200 (Yrs. 16+) \$4,432,400	B2 11¢ (1979)	C2 17¢	N/A	N/A	--



Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
G-7A Brookstone	1) 2,788 2) 1,350 (Storage)	1) Yrs. 1-4 39,032 Yrs. 5-8 44,608 Yrs. 9+ 50,184 2) Yrs. 1-4 4,050 Yrs. 5-8 5,400 Yrs. 9+ 6,750	1) Yrs. 1-4 \$14.00 Yrs. 5-8 \$16.00 Yrs. 9+ \$18.00 2) Yrs. 1-4 \$3.00 Yrs. 5-8 \$4.00 Yrs. 9+ \$ 5.00	11/22/80 11/21/92	5% over \$780,640	B2 17¢ (1980)	C2 17¢	D2 60¢	E2 \$1.50 \$3.50 \$ .15	--
E-1E California Concepts	1) 915	1) 29,076	1) \$31.78	2/15/79 2/14/89	10% over \$290,760	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50	C.P.I. - A1
1-01 Cappa Chell	1) 1,512	1) 16,831	1) \$11.13	6/9/78 6/8/87	N/A	B1	N/A	N/A	N/A	C.P.I. - A1
E-3 Caren Charles	1) 2,660	1) 56,419	1) \$21.21	3/31/83 7/31/93	5% over \$1,025,800	B2 19¢ (1982)	C2* 21¢ *(with credit if actual below 21¢)	D2 60¢	E2 \$2.00 \$4.50	--
M-1 Casa Maria	1) 7,922	1) 39,610	1) \$ 5.00	6/1/74 5/31/89	5% over \$792,200	B1	Greater of C1, \$2.00 with annual CPI adjust. or pro- rata.	D2 50¢	Fixed price per sq. ft. based on VEPCO charges + annual CPI adjustment.	One 10-year renewal option at minimum annual rent times C.P.I.
E-7A Casual Corner	1) 6,321 2) 1,056 (Storage)	1) 75,852 2) No Rent	1) \$12.00 --	9/1/74 7/31/91	5% on \$1,517,040 4% thereafter	B1	Greater of: A) C1 \$1.25 adjusted annually B) Pro- rata share.	D1 30¢ adjusted annually.	E6 \$2.50 \$ .15	Landlord has right of termination if gross sales below certain level. (\$2,275,560 be- tween 8/1/78 & 7/31/88

Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
E-9,9A Cedar Post	1) 4,763 2) 1,790 (Storage)	1) Yrs. 1-5 109,549 Yrs. 6-10 133,364 2) 5,370	1) Yrs. 1-5 \$23.00 Yrs. 6-10 \$28.00 2) \$ 3.00	8/14/84 1/31/95	7% over (Yrs. 1-5) \$1,564,986 (Yrs. 6-10) \$1,905,200	B2 19¢ (1984)	C2 21¢	D2 70¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
H-A Chess King	1) 2,000 2) 800 (Storage)	1) 16,000 2) No Rent	1) \$ 8.00 --	9/15/69 9/14/89	6% over \$266,666	B1	C1	D1	E1 \$ .90 \$ .15	--
J-7 China Arts	1) 400	1) 18,444	1) \$46.11	11/1/71 10/31/86	6% over \$307,400	B1	C1	D1	E1 \$ .90	C.P.I. - A2
J-7A Coffee's of the World (Timothy's Coffee)	1) 480 2) 415 (Storage)	1) 23,808 2) 1,235	1) \$49.60 2) \$2.98	12/1/78 11/30/88	7% over \$238,080	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
G-12 Cookie Jar	1) 300	1) 22,919	1) \$76.40	6/4//82 1/1/92	10% over \$229,190	B2 17¢ (1981)	C2 42¢	D2 \$1.25	E2 \$2.00 \$8.00	C.P.I. - A1
E-11A CPI Photo Finish	1) 680	1) Yrs. 1-2 19,040 Yrs. 3-10 24,990	1) Yrs. 1-2 \$28.00 Yrs 3-10 \$36.75	12/23/82 12/22/92	7% over (Yrs. 1-2) \$272,000 (Yrs. 3-10) \$357,000	B2 17¢ (1982)	C2 20¢	D2 60¢	E3 \$3.50	--
G-10 Crabtree & Evelyn	1) 600 2) 448 (Storage)	1) 31,494 2) 1,259	1) \$52.49 2) \$ 2.81	5/1/79 4/30/89	8% over \$393,675	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
O-8 Dancewear by Parklane	1) 764	1) 18,652	1) \$24.41	5/1/70 4/30/90	8% over \$233,150	B1	C1 30¢	D1	E1 70¢	C.P.I. - A2
D-3 DeYoung	1) 3,585 2) 2,000 (Storage)	1) 92,170 2) 6,133	1) \$25.71 2) \$3.07	8/1/83 7/31/93	6% over \$1,536,167	B2 19¢ (1982)	C2 21¢	D2 65¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
O-2#103 Diversified Retail Group	2) 625 (Office)	2) Year 1 5,625 Year 2 6,250 Year 3 6,875 Year 4 7,500	2) Year 1 \$9.00 Year 2 \$10.00 Year 3 \$11.00 Year 4 \$12.00	5/1/84 4/30/88	N/A	B1	N/A	N/A	N/A	--
	2) 1,620 (Storage)	2) Year 1 5,267 Year 2 6,483	2) Year 1 \$3.25 Year 2 4.00	2) 3/8/84 3/7/86						

## Rent Roll (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
J-10 Docktor Pet	1) 1,400 2) 1,200 (Storage)	1) 49,161 2) 5,057	1) \$35.12 2) \$ 4.21	6/1/79 5/31/89	8% over \$614,513	B2 10.5¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
M-4 Dominion Federal Savings & Loan	1) 2,335	1) Yrs. 1-5 50,000 Yrs. 6+ 70,000	1) Yrs. 1-5 \$21.41 Yrs. 6+ \$29.98	11/1/83 10/31/93	--	B2 19¢ (1983)	C2 22¢	N/A	E2 \$2.00 \$4.50	--
K-3 Eddie Bauer	1) 6,740  2) 1,740 (Storage)	84,250 Yrs. 4-7 97,730 Yrs. 8-10 111,210 Yrs. 11-12 138,170 2) 5,220	\$12.50 Yrs. 4-7 \$14.50 Yrs. 8-10 \$16.50 Yrs. 11-12 \$20.50 2) \$3.00* *Escalating @ \$.25 psf thru term.	10/14/83 10/13/95	4% over \$1,872,222 (Min. rent capped @ 4.5%)	B1	C2 21¢	D2 65¢	E2 1) \$2.00 2) \$4.50 3) \$ .15	--
O-6 Fabric Tree	1) 1,540 2) 1,140 (Storage)	1) 13,860 2) No Rent	1) \$ 9.00 --	9/28/68 9/27/88	6% over \$231,000	B1 25¢ Stop	C1 30¢	D1 10¢	E1 \$ .70 \$ .15	--
H-2 Farrell's Ice Cream	1) 6,487 2) 1,000 (Storage)	1) 45,409 2) No Rent	1) \$ 7.00 --	11/1/72 10/30/92	5% over \$908,180	B1	C1	D1	E1 \$1.70	--
J-9 Foliograph Gallery	1) 1,050 2) 1,655 (Storage)	1) 29,245 2) 2,197	1) \$27.85 2) \$ 1.33	3/1/71 7/24/83* * Now monthly lease.	10% over \$292,450	B1	C1 30¢	D1 10¢	E1 \$ .90 \$ .15 (780 sf \$3 + \$15 for each 1/5 watt below 1.5 watts psf x C.P.I.)	C.P.I. - A2
O-12 Foot Locker	1) 1,914 2) 1,584 (Storage)	1) 28,710 2) No Rent	1) \$15.00 --	3/15/77 3/14/92	6% over \$478,500	B1	C2 \$1.25	D1 30¢ annual CPI	E1 \$3.50 \$ .15	C.P.I. - A1, 1987.
D-25 Forty Carrots	1) 4,000 2) 2,460 (Patio)	1) 60,000 2) No Rent	1) \$15.00 --	7/23/84 7/22/99	6%-retail 3%-whsle. \$1,000,000	B2 17¢ (1982)	C2 17¢	D2 80¢	E3 \$3.00	--
G-5 Foxmoor Casuals	1) 3,500 2) 891 (Storage)	1) 70,000 2) No Rent	1) \$20.00 --	7/1/70 5/16/93	6% over \$1,166,667	B1 \$2.00 (1981)	C1 30¢	D1-10¢ D2 - 500 sf @ \$1.00	E1	--

## Rent Roll (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I. / Other Comments
F-10 Frontier Fruit & Nut	1) 256 (Kiosk)	1) 35,892	1) \$140.20	11/28/80 11/27/90	10% over \$358,920	N/A	N/A	N/A	N/A	C.P.I. - A1, 8% Cap.
E-10 The Gap	1) 3,250 2) 2,012 (Storage)	1) 32,500 2) No Rent	1) \$10.00 --	11/15/73 11/14/93	6% over \$590,900	B1	C1 70¢	D2 20¢	E1 \$1.10 \$ .15	C.P.I. - A2, 6% Cap.
J-2 Garfinckels	1) 14,650 2) 9,125 (Retail)	1) 65,925	1) \$ 2.77	12/31/69 12/30/89	4% over \$1,648,125	B1	C1	D1	E1 \$ .90	Right of first refusal on expansion space, but may expire upon sale.
K-1B Gentlemen's Jodphur	1) 2,400 2) 2,040 (Storage)	1) 84,931 2) 6,165	1) \$35.39 2) \$ 3.02	10/15/78 10/14/88	6% over \$1,415,517	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50	C.P.I. - A1
H-3 Georgetown Cotton	1) 3,240 2) 866 (Storage) 2) 1,316 (Storage)	1) 47,475 2) 1,155 2) 4,968	1) \$14.65 2) \$ 1.33 2) \$ 3.78	3/1/74 2/28/89	6% over \$791,250	B1	C1 70¢	D1 20¢	E1 \$1.50 \$ .15	C.P.I. - A2
K-4A Georgetown Leather	1) 1,600 2) 1,200 (Storage) 2) 1,030 (Storage)	1) 49,500 2) 3,681 2) 3,454	1) \$30.94 2) \$ 3.07 2) \$ 3.35	7/25/78 7/24/88	6% over \$785,714	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
G-11 Georgetown Tobacco	1) 400 2) 400 (Storage)	1) 30,220 2) 1,209	1) \$75.55 2) \$ 3.02	10/15/78 12/31/88	6% over \$503,667	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
L Giant Food Store	1) 28,000	1) 88,800	1) \$ 3.17	7/25/68 7/24/88	1.5% over \$5,500,000	B1 25¢ psf annum	C1 30¢ per	D1 10¢	E7	4 5-year renewal option at same terms.
F-5/6 Gift Gate	1) 1,500 2) 405 (Storage)	1) 57,299 2) 1,768	1) \$38.20 2) \$ 4.37	2/28/82 2/27/92	8% over \$716,238	B2 17¢ (1981)	C2 17¢	D2 50¢	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1
D-21 Group Hospitalization	2) 2,015 (Office)	2) 29,275	2) \$14.53	7/27/82 7/26/87	N/A	B1	N/A	N/A	N/A	C.P.I. - A1, maximum 8% per annum.
E-4 Hahn Shoes	1) 8,525 2) 2,420 (Storage)	1) 59,675 2) No Rent	1) \$ 7.00 --	2/25/68 7/24/88	4% over \$1,193,500	B1 25¢	C1	D1	E1 \$ .70 \$ .15	One 10-year renewal option at same terms.

## Rent Roll (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
M-2A Hair Cuttery	1) 1,600	1) 19,200	1) \$12.00	12/1/80 8/31/90	8%-\$192,000 to \$300,000 6%-\$300,000 to \$500,000 5% thereafter	B2 .083¢ (1980)	C2 17¢	D2 60¢	E2 \$1.50 \$4.50 45 watts psf	C.P.I. - A1, after 5th year of lease term (maximum 10% per annu
D-5 Hanover Shoes	1) 1,200 2) 980 (Storage)	1) 12,000 2) No Rent	1) \$10.00 --	2/25/68 7/24/88	6% over \$200,000	B1 25¢ psf per annum	Greater of: 1) \$1.50 psf annual CPI 2) Pro- rata plus 38.5¢ per 50% basement storage adjust each area, adjusted each 5 yrs.	D1 30¢ annual CPI 12.8¢ per 50% base- ment storage adjust each 5 yrs.	Greater of: 1) E1 \$4.00 \$ .15 annual CPI 2) Pro- rata share.	--
A-1 Hecht's Department Store	1) 234,228	1) 363,053	1) \$ 1.55	7/25/68 7/24/98	Maximum Cap of \$90,000	Tenant share in excess of base yr., capped @ 2.5¢ psf.	10¢ psf per annum	.5¢ psf per annum	Tenant pays	Successive 10 year options at \$45,000 per annum.
J-4 Hess for Her or Him	1) 1,200 2) 1,227 (Storage)	1) 45,839 2) 4,017	1) \$38.20 2) \$ 3.27	4/1/81 1/31/91	7% over \$654,843	B2 11¢ (1981)	C2 17¢	D2 50¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1, (Simple 5% Cap - 1/1/82 base).
G-3 Hoffritz	1) 570	1) 31,072	1) \$54.51	1/22/80 1/31/90	6% w/\$5,000 cumulative offset. \$443,885	B2 10.5¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50	C.P.I. - A1
K-8 Holiday Spa	1) 11,016	1) 109,336	1) \$ 9.93	9/1/71 8/31/91	N/A	B1	C1	D1	E1 \$ .90	C.P.I. - A2
O-207 Home Partners, Home Owners Loan Corporation	2) 612 (Office)	2) 6,600	2) \$10.78	5/1/83 6/6/85	N/A	Pro Rata	--	--	--	--
O-202 Home Partners, Home Owners Loan Corporation	2) 1,870 (Office)	2) 19,943	2) \$10.66	6/7/78 6/6/85	N/A	--	--	--	--	C.P.I. - A1

Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
O-201 Home Partners, Home Owners Loan Corporation	2) 550 (Office)	2) 5,951	2) \$10.82	Month to Month	N/A	Pro Rata	--	--	--	C.P.I. - A1
F-7 Hot Shoppes Cafeteria	1) 9,736 2) 2,000 (Storage)	1) 48,680 2) No Rent	1) \$ 5.00 --	10/25/88 10/24/88	5% over \$973,600	B1 25¢ Stop	C1	D1	E1 \$1.30	One 10-year renewal option at same terms.
M-3 Household Finance	2) 1,600 (Office)	2) 28,800 Escalating \$2,400 per annum thru term.	2) \$18.00	2/1/84 1/31/89	N/A	B2 11¢ (1979)	C2 19¢	D2	E2 plus 45¢	--
K-3 House of Fine Fabrics	1) 4,676 2) 1,278 (Storage)	1) Yrs. 1-5 70,500 Yrs. 6-10 94,000 2) 2,613	1) Yrs. 1-5 \$15.08 Yrs. 6-10 \$20.10 2) \$ 2.04	8/20/83 8/19/93	5% on sewing machines & 6% on other sales. Natural break- point 1/31 year end.	B2 20¢ (1983)	C2* 21¢ *with credit if actual below 21¢.	D2 70¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
G-9 Irving's Sport Shop	1) 3,600 2) 1,425 (Storage)	1) 97,200 2) 4,241	1) \$27.00 2) \$ 2.98	11/1/78 10/31/88	7% over \$1,215,000	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1, 7% Cap.
E-1 Jarman	1) 1,200 2) 750 (Storage)	1) 12,000 2) No Rent	1) \$10.00 --	7/25/88 7/24/88	6% over \$200,000	B1 25¢	C1 30¢	D1 10¢	E2 \$2.00 \$4.00 \$ .15	--
E-15 Jerry's Sub Shop	1) 1,500	1) Yrs. 1-4 30,000 Yrs. 5-8 37,500 Yrs. 8+ 45,000	1) Yrs. 1-4 \$20.00 Yrs. 5-8 \$25.00 Yrs. 8+ \$30.00	2/9/84 2/8/96	7% over (Yrs. 1-4) \$428,571 (Yrs. 5-8) \$535,857 (Yrs. 8+) \$642,857	B2 19¢ (1983)	C2 21¢	D1 70¢	E2 \$2.00 \$4.50 \$ .15	--
H-K Jo-Ann's Nut House	1) 256 (Kiosk)	1) 34,000	1) \$132.81	2/6/79 4/30/89	8% over \$425,000	N/A	N/A	N/A	N/A	C.P.I. - A1
J-5 Johnston & Murphy	1) 1,200 2) 500 (Storage)	1) 12,000 2) No Rent	1) \$10.00 --	7/25/88 7/24/88	6% over \$200,000	B1 25¢ Stop	C1 30¢	D1 10¢	Fixed price psf with annual C.P.I.	Tenant has option to extend lease to 7/24/92 at same terms if gross sales exceed \$350,000 by end of 1987 lease yr.

Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
O-5 Kay Jewelers	1) 1,540 2) 1,140 (Storage)	1) 90,000 2) 4,658	1) \$58.44 1) \$ 4.09	9/1/83 12/31/93	6% over \$1,500,000	B2 19¢ (1983)	C2 21¢	D2 65¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A1, effective 1988.
J-11 Kims Custom Tailor	1) 685	1) Year 1 8,905 Year 2 9,590 Year 3 10,275 Year 4 10,960 Year 5 11,645 Yrs. 6-10 12,330	1) Year 1 \$13.00 Year 2 \$14.00 Year 3 \$15.00 Year 4 \$16.00 Year 5 \$17.00 Yrs. 6-10 \$18.00	10/15/83 10/14/93	7% over (Year 1) \$127,214 (Year 2) \$137,000 (Year 3) \$146,785 (Year 4) \$156,571 (Year 5) \$166,357 (Yrs. 6-10) \$176,142	B2 19¢ (1983)	C2 21¢	D2 65¢	E2 \$2.00 \$4.50	C.P.I. - A1, beginning with year 6. Base year for CPI equals January, Year 5.
F-2C Kinney Shoes	1) 4,025 2) 1,650 (Retail)  2) 425 (Storage)	1) 73,338  2) No Rent	1) \$13.97  --	7/25/68 7/24/88	6% over \$1,222,300	B1 25¢	C1 80¢	D1 20¢	\$9,321 annual CPI adjustment (index @ date of adjustment to index 151.1)	C.P.I. - A2
K-2 Lane Bryant	1) 5,100  2) 1,610 (Storage)	1) 61,200 thru 9/86 76,500 thru 1/91 2) 4,025	1) \$12.00  \$15.00 2) \$ 2.50	7/31/81 1/31/91	5% over \$1,224,000 thru 9/86 \$1,533,000 thru 1/91	B2 16¢ (1980)	C2 17¢	D2 50¢	E5	
E-11 LeMistral	1) 3,821 2) 540 (Storage)	1) 59,039 2) No Rent	1) \$15.45 --	7/15/77 6/30/87	6% over \$983,983	B1	Greater of: 1) C1 \$1.25 adjusted annually 2) Pro - rata share	Greater of: 1) D1 30¢ adjusted annually 2) Pro - rata share	E6	C.P.I. - A1
O-3A Lerner Shops	1) 4,283  2) 700 (Storage)	1) 99,303 thru 9/85 escalated 3% per annum to end of term. 2) 2,625	1) \$23.19  2) \$ 3.75	10/1/79 9/30/92	5% over \$1,986,060	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A3, 5% Cap

Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
G-6 The Limited	1) 6,720 2) 2,034 (Storage)	1) 112,523 2) 6,262	1) \$16.74 2) \$ 3.08	8/15/79 8/14/91	5% over \$225,466	B2 11¢ (1982)	C2 17¢	D2 30¢	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1, 7½ Cap.
E-3A Little Folks	1) 4,182 2) 1,320 (Storage)	1) 88,742 2) 2,772	1) \$21.22 2) \$ 2.10	4/9/83 7/31/93	5.5% over \$1,613,492	B2 19¢ (1982)	C2* 21¢ *with credit if actual below 21¢.	D2 60¢	E1 \$2.00 \$4.50 \$ .15	C.P.I. - A3
E-1F Luciano's	1) 1,830	1) 37,789	1) \$20.65	10/1/73 9/30/88	6% over \$629,817	B1	C2 21¢	D1 75¢	E1 \$1.10	C.P.I. - A2
E-12 Lums Restaurant	1) 4,050	1) 59,711	1) \$14.74	9/11/74 2/28/94	5% over \$995,183	B1	C1 70¢	D1 20¢	Greater of 1) \$10,854 with annual CPI 2) 2% of gross sales	C.P.I. - A2
D-20 Magic Pan Restaurant	1) 5,340	1) 64,080	1) \$12.00	10/1/74 9/30/94	5% over \$1,281,600	B1	C1 80¢	D1 20¢	E1	--
O-15 Mekong Restaurant	1) 3,618 2) 2,806 (Storage)	1) 70,907 2) 13,217	1) \$19.60 1) \$ 4.71	10/25/68 9/30/90	6% over \$986,432	B1	Greater of: C1 @ \$2 adj. yearly, or pro rata share.	D2 50¢	\$7.80 psf w/CPI as in E2	C.P.I. - A1
H-8 Melart Jewelers	1) 1,125	1) 30,000	1) \$26.67	1/15/68 7/24/86	6% over \$500,000	B1	C1 \$1.25	D1 30¢	\$8,000 per yr. for retail \$.15 psf for basement annual CPI	C.P.I. - A2
D-19 Mondia Jewelry	1) 900	1) 9,000	1) \$10.00	5/1/76 4/30/86	9% over \$100,000	B1	C1 \$1.25 adj. yrly.	D1 30¢ adj. yrly.	E1 \$3.50 \$ .15	C.P.I. - A1 If gross sales do not exceed \$150,000 during 5th year, landlord may terminate lease.



Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
G-2 Monte's	1) 914 2) 1,065 (Storage)	1) 44,889 2) 1,718	1) \$49.11 2) \$ 1.61	3/1/80 2/28/90	8% over \$561,113	B2 11¢ (1980)	C2 17¢	D2 30¢	E5 \$2.00 \$4.00 \$ .15	C.P.I. - A1
G-15 Motherhood Maternity	1) 800	1) 22,474	1) \$28.09	6/15/79 6/14/89	6% over 321,057	B2 10.5¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50	C.P.I. - A1
H-6 Narragansett	1) 3,900 2) 1,050 (Storage)	1) Yrs. 1-6 97,500 Yrs. 7-12 117,000 2) 3,150	1) Yrs. 1-6 \$25.00 Yrs. 7-12 \$30.00 2) \$ 3.00	4/15/84 1/31/96	5% over (Yrs. 1-6) \$1,625,000 (Yrs. 7-12) \$1,950,000	B2 19¢ (1983)	C2 21¢	D2 70¢	E2 \$2.00 \$4.50 \$ .15	--
O-13 Natural Food Centers	1) 990 2) 912 (Storage)	1) 28,628 2) 4,220	1) \$28.92 2) \$ 4.63	4/1/81 3/31/91	8% over \$357,850	B2 17¢ (1981)	C2 17¢	D2 70¢	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1, maximum 8% times number of years from commence- ment date.
F-4 New Energy Sciences	1) 750 2) 600 (Storage)	1) 59,862 2) 3,236	1) \$79.82 2) \$ 5.39	8/30/82 8/29/92	8% over \$748,275	B2 17¢ (1982)	C2* 21¢ *with credit below 21¢	D2 60¢	E2 \$2.50 \$4.00 \$ .15	C.P.I. - A1
F-1 Orange Bowl	1) 750 2) 600 (Storage)	1) 45,052 2) No Rent	1) \$60.07 --	11/4/70 11/3/85	6% over \$750,867	B1	C1	D1	E1 \$ .90 \$ .15	C.P.I. - A2
G2-D Over The Rainbow	1) 482 2) 1,389 (Storage)	1) 36,827 2) 5,609	1) \$76.40 2) \$ 4.04	11/15/79 1/15/90	10% over \$368,270	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
H-4A Pants Place Plus	1) 3,900	1) Yrs. 1-3 70,200 Yrs. 4+ \$89,700	1) Yrs. 1-3 \$18.00 Yrs. 4+ \$23.00	8/20/81 1/31/92	6% over (Yrs. 1-3) \$1,170,000 (Yrs. 4+) \$1,495,000	B2 (1981)	C2 25¢	D2 \$1.00	E2 \$2.00 \$4.00 \$ .15	--
G-2C Parklane Hosiery	1) 600	1) 32,638	1) \$54.40	9/28/79 9/27/89	8% over \$249,356	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50	C.P.I. - A1
D-6 Peoples Drug Store	1) 17,700 2) 5,880 (Storage)	1) 92,925 2) No Rent	1) \$ 5.25 --	7/25/68 7/24/88	4.7% over \$1,977,128	B1	C1	D1 30¢	E1 \$2.00 \$4.00 \$ .15	Two 5-year options at same terms.

## Rent 11 (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp: Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
O-207 Performance Design	2) 612 (Office)	2) 19,091	2) \$31.19	Month to Month	N/A	B1	N/A	N/A	N/A	C.P.I. - A1 Landlord may cancel with 30 days notice.
G-10A Planning Research Company	2) 1,710 (Office)	2) Yrs. 1-6 \$7,695 Year 7 \$8,037	2) Yrs. 1-6 \$ 4.50 Year 7 \$ 4.70	5/1/79 9/30/86	N/A	N/A	N/A	N/A	Lighting Only	Landlord has right to terminate lease with 90 days notice.
F-1E Planning Reserch Company	2) 1,955 (Office)	2) Yrs. 1-7 \$8,793 Year 8 \$9,189	2) Yrs. 1-7 \$ 4.50 Year 8 \$ 4.70	6/1/78 9/30/86	N/A	N/A	N/A	N/A	Lighting Only	" " "
G-15 Planning Research Company	2) 1,215 (Office)	2) Year 1 \$5,285 Year 2 \$5,468 Year 3 \$5,710	2) Year 1 \$ 4.35 Year 2 \$ 4.50 Year 3 \$ 4.70	1/1/83 9/30/86	N/A	N/A	N/A	N/A	Lighting Only	" " "
O-4 Proving Ground	1) 2,380	1) 40,859	1) \$17.17	7/1/75 1/31/86	6% of first \$500,000 in sales, 5% of excess sales, less minimum rent.	B1	Pro Rata	D1 20¢	E1 \$ .90 \$ .15	C.P.I. - A2
F-1E Radio Shack	1) 2,630	1) 43,837	1) \$16.67	11/15/79 11/14/89	3% over \$1,461,233	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1
F-3 Raleigh's	1) 15,000 2) 7,500 (Storage)	1) 90,000 2) No Rent	1) \$ 6.00 --	7/25/68 12/31/88	4% on first \$3,000,000 3% on excess of \$3,000,000 net over \$90,000	Pro rata above \$.25 psf on mall sf & 1 times storage	C1 30¢	D1 10¢	E1 \$1.00	Two 10-year options at same terms. C.P.I. - A2
O-10 Real Rich Ice Cream	1) 1,250 2) 1,000 (Storage)	1) 30,767 2) No Rent	1) \$24.61 --	3/1/71 2/28/86	10% over \$307,670	B1	C1 \$1.25 adj. yrly.	D1 10¢	E7	C.P.I. - A2
G-7 Richman Brothers	1) 4,030  2) 1,000 (Storage)	1) Yrs. 1-6 50,000 Yrs. 7+ 65,000 2) 4,870	1) Yrs. 1-6 \$12.41 Yrs. 7+ \$16.13 2) \$ 4.87	10/1/80 1/31/93	5% over (Yrs. 1-6) \$1,000,000 (Yrs. 7+) \$1,300,000	B2 17¢ (1980)	C2 17¢	D2 60¢	E2 \$1.50 \$4.50 \$ .15	C.P.I. - A3, Simple 10% Cap.

## Rent Roll (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	\$ Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
F-8 Rings & Things	1) 264	1) 13,927	1) \$52.75	12/1/68 11/30/88	8% over \$174,088	B1	C1 30*	D1 10*	E7	C.P.I. - A2
O-7 Ritz Camera	1) 798 2) 570 (Storage)	1) 24,000 2) No Rent	2) \$30.08 --	11/1/78 10/31/88	4% on sales between \$600,000 & \$800,000, 3% thereafter.	B2 10.5* (1978)	C2 17*	D2 30*	E2 \$1.50 \$3.50	C.P.I. - A1
F-2A J. B. Robinson Jewelers	1) 750 2) 500 (Storage)	1) 65,000 2) 1,652	1) \$86.67 2) \$ 3.30	11/14/81 11/13/91	7% over \$928,571	B2 17* (1981)	C2 16*	D2 50*	E2 \$4.00 \$2.00 \$ .15	C.P.I. - A3
G-5A Rosendorf Evans	1) 4,000 2) 1,535 (Storage)	1) 32,000 2) No Rent	1) \$ 8.00 --	4/1/71 3/31/86	4 1/2% over \$711,111	B1	C1	D1	E1 \$ .90 \$ .15	--
E-15 Roth Theatres	1) Original Space: 15,146 Expansion Space: 9,617 Total: 24,763	1) 262,378	1) \$10.60	7/11/75 3/29/98	10% over \$2,623,780	B1	C1* C2*	D1** D2**	E1 \$1.10	C.P.I. - A2
* C1 @ \$.50 on original space until 7/10/90. C2 @ \$2.00 on expansion space until 7/10/90. After 7/10/90: C2 @ \$2.00 on all space.										
** D1 @ \$.15 on original space until 7/10/90. D2 @ \$.50 on expansion space until 7/10/90. After 7/10/90: D2 @ \$.50 on all space.										
K-6A Roy Rogers	1) 3,000 2) 1,320 (Storage)	1) 18,000 2) No Rent	1) \$ 6.00 --	7/25/68 7/24/88	5% over \$360,000	B1 25*	C1 30*	D1 10*	E1 \$1.70 psf per yr. x 4,320 sf.	One 10 year renewal option at same terms.
L-1A Royal Formal Wear	1) 1,950 2) 1,650	1) 26,700 2) No Rent	1) \$13.69 --	10/25/74 11/30/89	6% over \$445,000	B1	C1 80*	D1 20*	E1 \$2.50 \$ .15	C.P.I. - A2
F-2B Scandia Down	1) 750 2) 570 (Storage)	1) Year 1 45,000 Year 2 56,250 Yrs. 3+ 67,500 2) Yrs. 1-2 2,288 Yrs. 3+ 1,140	1) Year 1 \$60.00 Year 2 \$75.00 Yrs. 3+ \$90.00 2) Yrs 1-2 \$4.00 Yrs. 3+ \$2.00	3/22/84 3/21/94	7% over (Year 1) \$642,857 (Year 2) \$803,571 (Years 3+) \$964,285	B2 17* (1983)	C2 21*	D2 65*	E2 \$2.00 \$4.50 \$ .15	--

## Rent Roll (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
D1 Scandinavian Gallery	1) 3,450 2) 4,075 (Retail)	1) Yrs. 1-2 125,750 Year 3 132,650 Year 4 139,550 Year 5 146,450 Yrs. 6+ 153,350	1) Yrs. 1-2 \$16.71 Year 3 \$17.63 Year 4 \$18.54 Year 5 \$19.46 Yrs. 6+ \$20.38	7/4/84 7/3/94	5% over (Yrs. 1-2) \$2,515,000 (Year 3) \$2,653,000 (Year 4) \$2,791,000 (Year 5) \$2,929,000 (Yrs. 6+) \$3,067,000	B2 19¢ (1983)	C2 21¢	D2 70¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
K-1A F.A.O. Schwarz	1) 3,050 2) 1,150 (Storage)	1) Yrs. 3-6 64,813 Yrs. 7-9 76,250 Yrs. 10-12 91,500	1) Yrs. 3-6 \$21.25 Yrs. 7-9 \$25.00 Yrs. 10-12 \$30.00	10/31/81 1/31/94	6% over (Yrs. 3-6) \$1,080,216 (Yrs. 7-9) \$1,270,833 (Yrs. 10-12) \$1,525,000	B2 \$.1667 (1981)	C2 \$.1667	D2 50¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
E-1D Seibt's Bakery	1) 787 2) 1,640 (Storage)	1) 22,463 2) 4,920	1) \$28.54 2) \$ 3.00	5/15/79 5/14/89	10% over \$267,462	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
K5 Shop for Pappagallo	1) 1,200 2) 780 (Storage)	1) Yrs. 1-7 36,000 Yrs. 8+ 42,000	1) Yrs. 1-7 \$30.00 Yrs. 8+ \$35.00	11/8/80 11/7/90	6% over (Yrs. 1-7) \$600,000 (Yrs. 8+) \$700,000	B2 11¢ (1980)	C2 17¢	D2 50¢	E2 \$2.00 \$4.00 \$ .15	--
G-16 Soup 'R Sandwich	1) 2,100 2) 1,500 (Storage)	1) 40,284 2) No Rent	1) \$19.18 ---	5/21/79 4/4/87	5 1/2% over \$732,436	B1	Pro rata	Pro rata	E6 Water- \$2,000 per yr. plus CPI Electric- full pass through.	C.P.I. - A1
G-9A Spencer Gifts	1) 1,320 2) 1,078 (Storage)	1) 15,000 2) No Rent	1) \$11.37 --	7/25/68 7/24/88	6% over \$250,000	B1 25¢ Stop	C1	D1	E1 \$ .70 \$ .15	--
O-11 Sterling Optical	1) 1,386 2) 1,176 (Retail)	1) Yrs. 1-5 55,000 Yrs. 6-10 65,000	1) Yrs. 1-5 \$21.47 Yrs. 6-10 \$25.37	7/5/84 7/4/94	7 1/2% over (Yrs. 1-5) \$687,500 (Yrs. 6-10) \$812,500	B2 19¢ (1983)	C2 21¢	D2 70¢	E2 \$2.00 \$4.50 \$ .10 \$ .15	--
	2) 1,176 (Storage)	2) 3,528	2) \$ 3.00							

Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
E-5 Steven Windsor	1) 3,892 2) 1,260 (Storage)	1) 46,000 2) No Rent	1) \$11.82 --	9/20/74 9/30/89	6% on sales over \$766,667 up to \$800,000 5% on sales over \$800,000	B1	C1 80¢	D1 20¢	E1 \$2.00 \$ .15	C.P.I. - A2
G-14 Suburban Savings & Loan	1) 800	1) 17,978	1) \$22.47	9/1/68 7/24/88	N/A	B1 25¢	C1 30¢	D1 20¢	E1 \$ .70 \$ .15	One 10-year option at CPI, with 5 year CPI rent review.
H-1 Susie's Casuals	1) 2,000 2) 1,558 (Storage)	1) 43,218 2) No Rent	1) \$21.61 --	8/14/69 7/31/89	6% over \$720,300	B1	C1	D1	E1 \$ .90 \$ .15	C.P.I. - A2
H-4 Talbot's	1) 3,900          2) 1,350 (Storage)	1) Yrs. 1-4 56,500 Yrs. 5-8 64,350 Yrs. 9-11 72,150 Year 12 87,750 2) 4,388*	1) Yrs. 1-4 \$14.50 Yrs. 5-8 \$16.50 Yrs. 9-11 \$18.50 Year 12 \$22.50 2) \$ 3.25*	9/23/83 9/22/95	4% over (Yrs. 1-4) \$1,256,666 (Yrs. 5-8) \$1,430,000 (Yrs. 9-11) \$1,603,333 (Year 12) \$1,950,000	B1	C2 21¢ with credit if actual below 21¢	D2 65¢	E2 \$2.00 \$4.50 \$ .15	--
G-1 Tall Girls Shop	1) 1,365 2) 1,849 (Storage)	1) 24,355 2) 4,838	1) \$17.84 2) \$ 2.62	8/16/78 1/31/89	6% over \$405,917	B2 10.5¢ (1978)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
E-1B Tannery West	1) 1,500      2) 733 (Storage)	1) Yrs. 1-3 \$47,790 Yrs. 4-6 \$50,565 Yrs. 7-10 \$53,970 2) Yrs. 1-3 \$2,199 Yrs. 4-6 \$2,932 Yrs. 7-10 \$3,665	1) Yrs. 1-3 \$31.86 Yrs. 4-6 \$33.71 Yrs. 7-10 \$35.98 2) Yrs. 1-3 \$3.00 Yrs. 4-6 \$4.00 Yrs. 7-10 \$5.00	8/14/82 8/13/92	6% over (Yrs. 1-3) \$796,500 (Yrs. 4-6) \$842,750 (Yrs. 7-10) \$899,500	B2 17¢ (1982)	C2 17¢	D1 20¢	\$9,321 annual CPI adjust- ment (index @ date of adjustment to index 151.1)	C.P.I. - A2
G-7 Thimbles	1) 3,300      2) 520 (Storage)	1) Yrs. 1-4 \$49,500 Yrs. 5-8 \$59,400 Yrs. 9+ \$69,300 2) No Rent	1) Yrs. 1-4 \$15.00 Yrs. 5-8 \$18.00 Yrs. 9+ \$21.00 --	9/1/81 1/31/94	6% over (Yrs. 1-4) \$825,000 (Yrs. 5-8) \$990,000 (Yrs. 9+) \$1,155,000	B2 11¢ (1981)	C2 25¢	D2 70¢	E2 \$2.50 \$3.50 \$ .15	--

Rent Roll (continued)

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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
G-13 This End Up	1) 580	1) 25,000	1) \$43.10	4/15/81 4/14/91	5% over \$500,000	B2 11¢ (1980)	C2 29¢	D2 75¢	E1 \$1.50 \$3.50 \$ .15	C.P.I. - A1
K-7 Thom McAn	1) 3,649 2) 2,250 (Storage)	1) 21,896 2) No Rent	1) \$ 6.00 --	8/19/68 7/24/88	6% over \$364,940	B1 25¢	C1 30¢	D1 10¢	E1 \$ .70 \$ .15	--
D-3A Tokyo Pearl, Ltd.	1) 914	1) Year 1 \$73,120 Year 2 \$77,690 Year 3 \$82,260 Year 4 \$86,830 Yrs. 5+ \$91,400	1) Yr. 1 \$80.00 Year 2 \$85.00 Year 3 \$90.00 Year 4 \$95.00 Yrs. 5+ \$100.00	3/1/84 2/28/94	7% over \$1,000,000	B1 19¢ (1983)	C2 21¢	D2 70¢	E2 \$2.00 \$4.00 \$ .15	--
G-1A Towne Silversmiths	1) 600	1) 31,188	1) \$51.98	5/1/80 4/30/90	8% over \$389,850	B1 11¢ (1980)	C2 17¢	D2 30¢	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1
H-2A Tysons Center Four Theatres	1) 31,737	1) 280,000	1) \$ 8.83	10/3/80 10/2/90	8% of box office sales, 15% of other gross sales, 10% of game machines (less minimum rent).	Pro rata share, being ratio of \$31,000 to total base yr. taxes (1980).	C2 17¢	D2 50¢	E8	One 5-year renewal option at greater of (i) average minimum annual rent plus percentage rent for years 8 & 9 of term, (ii) minimum annual rent x 80% CPI.
G2A-B Tyson's Hallmark Cards	1) 3,226 2) 1,634 (Storage)	1) 96,780 2) 6,599	1) \$30.00 2) \$ 4.04	12/1/79 12/31/93	10% over (Yrs. 1-4) \$725,850 (Yrs. 4+) \$967,000	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$15,000 adjusted annually	C.P.I. - A1
U.S. General Service	1) 18,624	1) 166,240	1) \$10.00	4/5/82 4/4/87	N/A	Pro Rata (1982)	\$56,400 with annual CPI	N/A	N/A	One 5-yr. renewal option at market rent.

Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSP 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I. / Other Comments
O-J-12 U.S. Marshall's Office	1) 59,955	1) 311,456	1) \$ 5.19	7/10/78 7/9/88	NA	Pro Rata (Percentage adjustment every 3 yrs.)	C3	N/A	N/A	Tenant has right of termination (120 days prior notice).
O-J-12 U.S. Marshall's Expansion	2) 10,355 (Office)	2) 90,606	2) \$ 8.75	9/5/80 7/9/88	N/A	"	"	"	"	" "
G-2 U.S. Government #28	2) 5,000 (Office)	2) 50,000	2) \$10.00	1/11/83 1/10/88	N/A	Pro Rata	CPI on actual costs within premises	N/A	N/A	One 2-year renewal option at negotiated terms.
G-2 U.S. Government #39	2) 5,000 (Office)	2) 50,000	2) \$10.00	10/15/83 10/14/88	N/A	Pro Rata (1982)	"	N/A	N/A	One 2-year renewal option at negotiated terms.
O-0-1 U.S. Government #22	2) 7,522 (Office)	2) 75,220	2) \$10.00	5/1/82 8/14/87	N/A	Pro Rata (1982)	"	N/A	N/A	One 2-year renewal option at same terms.
G-2 U.S. Government #41	2) 1,883 (Office)	2) 18,830	2) \$10.00	11/1/83 10/31/88	N/A	Pro Rata (1983)	"	N/A	N/A	One 2 year renewal option at same terms.
E-13 U.S. Postal Service	2) 3,000 (Office)	2) 90,000	2) \$30.00	3/1/82 2/28/87	N/A	N/A	N/A	N/A	N/A	One 5-year renewal option at \$126,000.
K-1C United Virginia Bank	1) 4,250 (Plus 1,000 drive-in bank).	1) 32,000	1) \$ 7.53	7/25/68 7/24/88	N/A	B1 25¢	C1 30¢	D1 10¢	E1 \$ .70 \$ .15	One 20-year renewal option at minimum annual rent plus CPI.
F-1C Vendome Bakery	1) 1,300 2) 1,300 (Storage)	1) 58,806 2) 6,221	1) \$45.24 2) \$ 4.79	10/1/79 9/30/89	8% on retail sales over \$735,075 3% on wholesale sales.	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1
H-5 Variety Records	1) 3,960 2) 950 (Storage)	1) 87,122 2) 3,585	1) \$22.00 2) \$ 3.77	2/1/80 1/31/92	8% over \$1,089,000	B2 11¢ (1979)	C2 17¢	D2 30¢	E2 \$1.50 \$3.50 \$ .15	C.P.I. - A1, 10% cap.

Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984 Minimum Rent 1) Mall 2) Lower Level	1984 Minimum Rent PSF 1) Mall 2) Lower Level	Lease Term Commencement and Expiration Dates	% Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
O-1 Victoria's Secret Store	1) 1,600          2) 563 (Storage)	1) Yrs. 1-2 64,000 Yrs. 3-4 \$67,200 Yrs. 5-6 \$72,000 Yrs. 7-8 \$76,800 Yrs. 8+ \$80,000 2) 1,689	1) Yrs. 1-2 \$40.00 Yrs. 3-4 \$42.00 Yrs. 5-6 \$45.00 Yrs. 7-8 \$48.00 Yrs. 8+ \$50.00 \$3.00	4/25/84 4/24/94	6% over (Yrs. 1-2) \$1,066,666 (Yrs. 3-4) \$1,120,000 (Yrs. 5-6) \$1,200,000 (Yrs. 7-8) \$1,280,000 (Yrs. 8+) \$1,333,333	B2 19¢ (1983)	C2 21¢	D2 70¢	E2 \$2.00 \$4.50 \$ .15	C.P.I. - A3
G-6A Video Concepts	1) 3,005 2) 216 (Storage)	1) 88,032 2) No Rent	1) \$29.30 --	7/10/81 7/9/91	3% over \$2,200,000	B2 17¢ (1981)	C2 \$3.00 P.A.	D2 70¢	E2 \$2.00 \$4.00 \$ .15	C.P.I. - A1
E-2 Walden Books	1) 4,023 2) 1,345 (Storage)	1) 65,553 2) No Rent	1) \$16.30	9/18/68 1/31/94	5% over \$1,311,060	B1	C1 30¢ (698 sf @ \$2.50)	D1 10¢ (698 sf @ 75¢)	E1 90¢ (698 sf @ \$7.00 2¢) Lights only	C.P.I. - A2
E-14 Wendy's Restaurant	1) 4,400	1) 88,000	1) \$20.00	2/11/84 1/31/97	6% over \$1,466,666 (1983)	B2 19¢	C2 21¢	D2 65¢ \$4.00	E2 \$2.00	--
G-8 Wild Pair/ Small Stuff	1) 5,095 2) 4,200 (Storage)	1) 69,965 2) No Rent	1) \$13.73 --	7/25/68 7/24/88	6% over \$1,166,050	B1 25¢	C1 30¢	D1 10¢	E9	C.P.I. - A4
H-7 Williams-Sonoma	1) 2,900	1) Yrs. 1-5 81,200 Yrs. 6-10 101,500	1) Yrs. 1-5 \$28.00 Yrs. 6-10 \$35.00	1/1/85 12/31/94	6% over \$1,353,333	B2 21¢ (1984)	C2 25¢	D2 75¢	E2 \$3.50 \$3.50 \$ .15	--
D-23 H. A. Winston	1) 4,568 2) 625 (Storage)	1) 46,320 2) 5,492	1) \$10.14 2) \$ 8.79	8/15/77 8/14/87	6% over \$772,000	B1	\$1.25 plus annual CPI or actual cost.	D1 30¢ plus annual CPI.	E1 \$3.50 \$ .15	C.P.I. - A1
J-1 Woolworth Store	1) 47,250 2) 16,000 (Storage)	1) 212,625 2) No Rent	1) \$ 4.50 --	8/19/68 1/31/89	4% over \$5,315,625	N/A	N/A	N/A	E4	Three 5-year renewal options at same terms.



Rent Roll (continued)  
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Unit/ Tenant	Square Feet 1) Mall 2) Lower Level	1984	1984	Lease Term Commencement and Expiration Dates	\$ Rent	Real Estate Taxes (Base Yr.)	C.A.M Exp.	Utility Exp. Mall	Utility Exp. Tenant	Renewal Option/ C.P.I./ Other Comments
		Minimum Rent 1) Mall 2) Lower Level	Minimum Rent PSF 1) Mall 2) Lower Level							
K-6 World Imports	1) 4,780 2) 1,868 (Storage)	1) 35,860 2) No Rent	1) \$ 7.50 --	11/1/70 10/31/90	6% over \$597,666	B1	C1 30¢	D1 10¢	E1 \$ .90 \$ .15	--
Woodward & Lothrop Dept. Store	1) 229,164 2) 5,430 (Retail)	1) 357,349 2) 15,845	1) \$ 1.55 1) \$ 2.92	7/25/68 7/24/98	Maximum cap of \$90,000	2.5¢ per sf	\$ .10 per sf	\$ .005 per sf	\$ .50 per sf	Successive 10 year renewal options at \$45,000 per annum.
1) Square Feet Mall:	1,284,853									
2) Square Feet Lower Level:	245,980									
Vacancy Mall:	1,955									
TOTAL NET RENTABLE SQUARE FEET:		1,502,788								