



GSA National Capital Region

June 15, 2009

**Ramsey D. Meiser
Senior Vice President, Development
Forest City Washington
1615 L Street, NW
Suite 400
Washington, D. C. 20036**

Re: The Yards- Master Lease Interim Use for Parcel O

Dear Mr. Meiser:

Pursuant to the terms of the Master Lease (ML), between Forest City SEFC, LLC and the United States of America acting through General Service Administration, executed January 23, 2007, and amended June 9, 2008, GSA has reviewed the FCW request for approval for the Trapeze School to be located at the Yards on Parcel O for not more than five years commencing in November of 2009

The Master Lease under Article 6 Section A (1) states that the Lessee (FCW) is entitled to use the property for any interim commercially reasonable uses as approved in writing by Lessor (GSA) and such approval is not to be unreasonably withheld.

In reviewing the Forest City request for approval for The Trapeze School to be located at The Yards on Parcel O (see attached) for not more than five years commencing in November of 2009, GSA is in agreement that this is a commercially reasonable and beneficial use as envisioned by the ML.

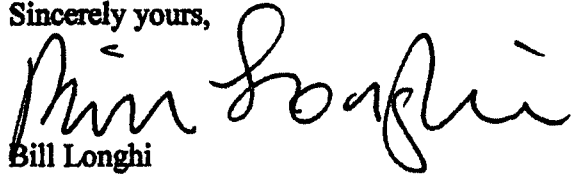
Forest City must insure that this endeavor is subject to the Development Agreement and ML and all Relevant Covenants. Pursuant to Article 6, Section C. Forest City Washington, Inc. agrees to indemnify and hold Lessor harmless from and against any and all, costs, damages, claims, liabilities and expenses from the above referenced use.

**U.S. General Services Administration
301 7th Street, SW
Washington, DC 20407-0001
www.gsa.gov**

**ZONING COMMISSION
District of Columbia
CASE NO.09-09
EXHIBIT NO.1B**

As you know, GSA is committed to revitalization of the Southeast Federal Center and compliance with the Development Agreement obligations. GSA knows that Forest City shares these commitments and we continue to look forward to working with Forest City to satisfy them. If you have any questions about this letter, please do not hesitate to contact me.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Bill Longhi". The signature is fluid and cursive, with a large initial "B" and "L".

Bill Longhi

Director of Property Disposal Division, Acting

CC: Pat Daniels
Mary Pineda
Jeffrey Dunn