

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE:  
2/1/2008

LEASE No. GS-11B-01993

THIS LEASE, made and entered into this date between **CESC Skyline LLC**  
whose address is **c/o Vornado/Charles E. Smith L.P.**  
**2345 Crystal Drive, Suite 1000**  
**Arlington, VA 22202**

and whose interest in the property hereinafter described is that of OWNER, hereinafter called the LESSOR, and the UNITED STATES OF AMERICA, hereinafter called the Government.

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

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

A total of 334,103 BOMA Rentable Square Feet (BRSF) (yielding 280,417 ANSI/BOMA Office Area Square Feet (BOASF)) consisting of 8,970.00 BRSF (8,283 BOASF) located on a portion of the G-2 level, 22,813.27 BRSF (19,163 BOASF) located on a portion of the 1<sup>st</sup> floor, 25,414.69 BRSF (20,693 BOASF) located on the entire 2<sup>nd</sup> floor, 12,367.85 BRSF (9,454 BOASF) located on the entire 3<sup>rd</sup> floor, 16,887.90 BRSF (13,483 BOASF) located on the entire 4<sup>th</sup> floor, 19,609.27 BRSF (16,406 BOASF) located on the entire 5<sup>th</sup> floor, 19,609.27 BRSF (17,098 BOASF) located on each of the entire 6<sup>th</sup>, 7<sup>th</sup>, and 8<sup>th</sup> floors, 19,609.27 BRSF (16,427 BOASF) located on the entire 9<sup>th</sup> floor, 19,609.27 BRSF (16,642 BOASF) located on the entire 10<sup>th</sup> floor, 19,609.27 BRSF (16,664 BOASF) located on the entire 11<sup>th</sup> floor, 19,609.27 BRSF (16,649 BOASF) located on the entire 12<sup>th</sup> floor, 19,609.27 BRSF (16,691 BOASF) located on the entire 13<sup>th</sup> floor, 19,609.27 BRSF (16,329 BOASF) located on the entire 14<sup>th</sup> floor, 19,609.27 BRSF (15,470 BOASF) located on the entire 15<sup>th</sup> floor, 19,609.27 BRSF (16,632 BOASF) located on the entire 16<sup>th</sup> floor, and 12,338.01 BRSF (10,137 BOASF) located on a portion of the 17<sup>th</sup> floor in the building known as One Skyline Tower, located at 5107 Leesburg Pike, Falls Church, VA 22041 to be used for SUCH OFFICE AND RELATED PURPOSES AS DETERMINED BY THE GOVERNMENT together with 24 reserved and secured parking spaces in the building's underground parking garage as required by SFO Paragraph 1.4(B) (See Attachment A - Floor Plans of Leased Premises and Attachment B - Parking Plans).

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the TEN (10) YEAR FIRM TERM commencing October 1, 2009 and expiring September 30, 2019.

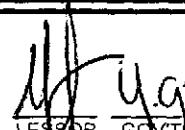
3. The Government shall pay the Lessor annual rent of \$11,359,502.00 (\$34.00/BRSF; \$40.50932005/BOASF) at the rate of \$946,625.17 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: **CESC Skyline L.L.C.**, c/o Vornado/Charles E. Smith L.P., 2345 Crystal Drive, Suite 1000, Arlington, VA 22202, or in accordance with the provision on electronic payment of funds. Notwithstanding the foregoing, the Government shall be entitled to abatement of rent in the total amount of \$7,347,041.92 applied as follows: (a) rent for the first six (6) full months of the lease term (inclusive of operating costs and amortization of the tenant improvement allowance) in the total amount of \$5,679,751.00 shall be abated entirely as indicated in SFO Attachment #1; and (b) a portion of the monthly shell rent shall be partially abated during the 7<sup>th</sup>, 8<sup>th</sup>, and 9<sup>th</sup> full months of the lease term, in equal monthly amounts of \$555,763.64, for a total amount of \$1,667,290.92, as more fully set forth in paragraph 6(l) below.

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4. (Intentionally Deleted)

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5. (Intentionally Deleted)

  
LESSOR GOVT  
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6. The Lessor shall furnish to the Government, as part of the rental consideration except as otherwise provided below or in the SFO, the following:

A. All services, utilities, alterations, repairs, and maintenance, as well as any other right and privilege stipulated by this Lease, the SFO and its Attachments are included in the rent.

B. Lessor shall provide, at its sole cost and expense, all building shell elements as set forth in the attached SFO. In addition, Lessor shall provide, at Lessor's sole cost and expense, all base building additions, renovations, repairs, replacements, and upgrades identified in the excerpts from Lessor's Final Revised Proposal attached hereto as Attachments M-U, including but not limited to the following:

- Lessor shall design and construct a new two-story wing comprising approximately 30,000 rentable square feet in accordance with the proposal narrative, renderings, drawings, floor plans, elevations, and schedule attached hereto as Attachment M and the renovation plan attached hereto as Attachment U.
- Lessor shall design and construct two new shuttle elevators servicing the main building lobby and all five levels of the building parking garage in accordance with the proposal narrative, graphic, and schedule attached hereto as Attachment N and the renovation plan attached hereto as Attachment U.
- Lessor shall provide and install new state-of-the-art elevator systems and controls, including new door closing hardware, for 12 passenger elevators and one freight elevator in accordance with the proposal narrative, descriptions, specifications, and schedule attached hereto as Attachment O.
- Lessor shall provide and install new finishes (including wall coverings and floor coverings) in all elevator lobbies on Government-occupied floors in accordance with the proposal narrative, graphics, elevations, and schedule attached hereto as Attachment P and the renovation plan attached as Attachment U. The selection of finishes shall be subject to the Government's reasonable input and approval. Work shall be completed in phases, on evenings and weekends and the schedule shall be otherwise coordinated with the Government, so as not to disrupt the Government's operations.
- Lessor shall design and construct a new security desk in the main building lobby in accordance with the graphics, plans, drawings, and elevations attached hereto as Attachment Q and the renovation plan attached hereto as Attachment U. This requirement for the provision of a new security desk under this Lease shall not alter or affect any prior written agreements regarding responsibility for the cost of such security desk previously entered between the Lessor and the Government under other applicable leases for space in the building in which the leased premises is located.
- Lessor shall design, construct, provide and install all improvements necessary to relocate the shuttle bus stop to the plaza level in front of the main lobby entrance to the building in accordance with the proposal narrative and site plan attached hereto as Attachment R.
- Lessor shall design, construct, provide and install all improvements necessary to relocate the existing patio level air intake shaft to the roof of the new wing in compliance with SFO Paragraphs 9.5.A.1 or to extend the existing air intake shaft to a height of 40 feet in compliance with SFO Paragraph 9.5.A.2.
- Lessor shall provide and install shatter resistant material on all exterior windows in Government-occupied space under this Lease in accordance with SFO Paragraph 9.8 and in accordance with the schedule for renovation of building lobbies set forth in Attachment P. Work shall be completed in phases, on evenings and weekends and the schedule shall be otherwise coordinated with the Government, so as not to disrupt the Government's operations.
- Lessor shall provide and install all base building improvements and upgrades and make all repairs and replacements proposed in response to the Government's Building Assessment Report as set forth in the table attached hereto as Attachment S.
- Lessor shall make all repairs and improvements necessary to maintain the space occupied on the G-2 level in a dry and water-tight condition.
- Lessor shall achieve an Energy Star Building Label rating and an Energy Performance Rating of at least 88.

Use reasonable efforts to

Except as otherwise provided in this Lease and its attachments, Lessor shall complete all of the work described in this paragraph 6(B) no later than the Government's required occupancy date set forth in SFO Paragraph 1.7.

C. The Lessor shall provide to the Government a Tenant Improvement Allowance in the amount of \$10,739,971.10 (\$38.30/BOASF). Such Allowance shall be available in full immediately upon execution of this Lease, but shall be held by the Lessor until directed by the Government on how the disbursement of funds shall occur. The Government shall have the full latitude to direct disbursement of funds in accordance with the SFO and/or to offset the Government's rental obligation to the Lessor. Use of the Tenant Improvement Allowance funds may be authorized and obligated only upon issuance of an Award and Notice to Proceed by the GSA Contracting Officer. This Tenant Improvement Allowance is included in the rent, with the \$38.30/BOASF being amortized at a rate of 0% over the ten-year Lease term. If the Government does not utilize the entire Tenant Improvement Allowance included in the rent, the rent shall be adjusted downward using the 0% amortization rate. A mutually agreed upon Supplemental Lease Agreement will be executed upon the Government's acceptance of the space as substantially complete that finalizes the rent using the final Tenant Improvement allowance utilized. The actual cost of the Tenant

Improvements will be determined by the competition and cost proposal process as set forth in Paragraph 1.11 "Tenant Improvement Rental Adjustment" and Paragraph 3.2 "Tenant Improvements Pricing Requirements," with the understanding that bidding shall take place at the trade/subcontractor level. Any work items provided by the General Contractor, or for which there is not adequate competition at the trade/subcontractor level, shall be subject to the Government's review of cost and pricing data.

D. Lessor and the Government shall confer and agree upon a schedule for the design, construction, and delivery of the leased premises that is consistent with SFO Paragraph 3.17, that is substantially consistent with the schedules set forth in Attachments P and T, and that provides for completion and full occupancy of the leased premises by the required occupancy date set forth in SFO Paragraph 1.7. Replacement of paint and carpet in occupied spaces shall be completed in phases, on evenings and weekends and the schedule shall be otherwise coordinated with the Government, so as not to disrupt the Government's operations. The parties shall execute a Supplemental Lease Agreement incorporating the agreed schedule. Lessor shall design and construct all required tenant improvements to the leased premises in accordance with the renovation plan attached hereto as Attachment U.

E. Lessor shall provide 23,614 BOMA rentable square feet (yielding 19,929 BOMA Office Area square feet) of swing space consisting of 5,959 BRSF (5,403 BOASF) located on a portion of the 1<sup>st</sup> floor and 17,655 BRSF (14,526 BOASF) located on the entirety of the 2<sup>nd</sup> floor in the building known as Two Skyline Place, 5203 Leesburg Pike, Falls Church, VA as set forth on the floors plans attached hereto as Attachment V (the "Swing Space"). Such Swing Space shall be provided at lessor's sole cost and expense and shall be prepared for the Government's occupancy in accordance with SFO Paragraph 1.20. Lessor shall provide a Tenant Improvement Allowance for the Swing Space in the amount of \$590,350 (\$25 per BRSF), which may be used by the Government in accordance with SFO Paragraph 1.20(C). Lessor and the Government shall confer and agree upon a schedule for the design, construction, and delivery of the Swing Space that is consistent with SFO Paragraph 1.20, that is substantially consistent with the schedule set forth in Attachment T, and that will provide for completion and full occupancy of the leased premises by the required occupancy date set forth in SFO Paragraph 1.7. The Lessor shall be responsible for the cost of all moves, interim moves, and restacking in excess of one move for each SSA employee that is required to move in connection with the renovation of the leased premises.

F. Lessor shall provide, at its sole costs and expense, handicap accessible shuttle service between the building and the Pentagon City and Ballston Metrorail stations and to the Crystal City Virginia Railway Express station in accordance with the schedules set forth in Attachment W. The required shuttle service shall seat at least 20 passengers and shall be provided every Monday through Friday, except Federal holidays.

G. Except as otherwise set forth in this SF2 and its attachments, the Level IV Security requirements set forth in Part 9.0 of the SFO shall become effective immediately upon execution of this lease by both parties.

H. Pursuant to SFO Paragraphs 1.4(D) and (F), the shredding room, trash compactor, and backup generator shall be located in the areas identified on the Parking plans attached hereto as Attachment B, except that the Government may elect at its option to continue to use the area it currently uses at the loading dock for its trash compactor operations.

I. In accordance with Paragraph 1.13 "Broker Commission and Commission Credit" of the Lease, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the lease value for the ten year firm term. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph, Studley, Inc. has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED] and shall be paid as free rent in equal monthly installments of [REDACTED] during the seventh, eighth, and ninth months of the lease. The Lessor agrees to pay Studley, Inc., 555 13th Street, N.W., Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the lump sum amount of [REDACTED], which shall be due to Studley, Inc. upon execution of this Lease by the Government and payable within 30 days of the receipt of an invoice.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell portion of the rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the seventh month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Seventh Month's Rental Payment of \$946,625.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Seventh Month's Rent;

Eighth Month's Rental Payment of \$946,625.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Eighth Month's Rent; and

Ninth Month's Rental Payment of \$946,625.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED]

adjusted Ninth Month's Rent.

J. For purposes of Paragraph 3.4(F) and 3.5 of the SFO, as of the date hereof, the Government's percentage of occupancy is 62.63%, based on occupancy of 334,103 BRSF in a building of 533,494 BRSF. Evidence of payment of taxes shall be furnished as provided by Paragraph 3.4(D) of the SFO.

K. For purposes of Paragraphs 3.6 and 3.7 of the SFO, as of the date hereof, the operating cost base is \$1,897,121.75 (\$5.678254161/BRSF; \$6.765359269/BOASF).

L. Pursuant to Paragraph 3.10 "Common Area Factor", the Add-On Factor is determined to be 1.1914505, calculated as follows: 334,103 BRSF/280,417 BOASF.

M. In connection with the buildout of tenant improvements, the following limits on markups shall apply to the initial tenant improvements: Offeror's General Contractor's fee shall not exceed 7%, Lessor's overhead and profit shall not exceed 2%, general conditions shall not exceed 5%, and architectural/engineering cost shall not exceed 3%. The combined total of the foregoing markups and fees shall not exceed 17%. These markups are all subject to the right of the Government to reasonably negotiate individual markups based upon the actual scope of work of the requirement.

N. Pursuant to Paragraph 7.2 of the SFO and as part of the rental consideration set forth in Paragraph 3 of this SF2, services, utilities, and maintenance shall be provided daily, extending from 7:00 am to 6:00 pm, Monday through Friday, excluding Saturdays, Sundays and federal holidays ("Normal Hours Schedule"). Utilities necessary for operation of the Government's computer room equipment and dedicated computer room HVAC on a 24/7 basis shall be provided in accordance with SFO Paragraph 1.4(G).

O. Pursuant to Paragraph 7.3 of the SFO, overtime HVAC service shall be provided beyond the aforementioned Normal Hours Schedule, as follows: (1) Regularly scheduled overtime HVAC shall be provided to the entire leased premises from 6:00 am to 7:00 pm and from 6:00 pm to 7:00 pm, Monday through Friday (exclusive of federal holidays) and from 6:00 am to 4:00 pm on Saturdays ("Regularly Scheduled Overtime") at an annual rate of \$80,000.00, which shall be payable by the Government in lump sum separate and apart from the rent set forth in Paragraph 3 of this SF2; and (2) additional overtime beyond the above-referenced Normal Hours Schedule and Regularly Scheduled Overtime shall be provided at rates of \$38.25 per hour for overtime HVAC on a single floor and \$84.85 per hour for overtime HVAC throughout the entire leased premises. The foregoing overtime HVAC rates shall escalate in a manner consistent with section 3.6 "Operating Costs" in the SFO. The foregoing overtime HVAC rates are inclusive of all labor, maintenance, and service fees, but do not include the services of an engineer or other on-site building staff. The Lessor shall not require that an engineer or other building staff be present during overtime hours and the Government shall not be required to pay for any on-site personnel during these hours. In the event that the Government requires an engineer or operating mechanic to be on site during overtime hours, the Government shall reimburse the lessor for such labor costs at the Lessor's hourly rate for such services. If an engineer or operating mechanic is called in on an emergency basis at the Government's request, the minimum labor charge shall be for 4 hours and the response time will vary depending upon the circumstances. Notwithstanding the hours of HVAC service, the Government shall have access to the leased space and appurtenant areas at all times without additional payment, including the use, during other than normal hours, of necessary services and utilities such as elevators, toilets, lights, and electric power.

P. The adjustment to the rent for space previously occupied by the Government and then vacated is \$1.25 per BOASF for one half floor or more of vacant space.

Q. Pursuant to Paragraph 9.6 of the SFO, the Government has full security control over all parking areas, surface or structured. Pursuant to paragraph 1.4(B) of the SFO and as part of the rental consideration set forth in Paragraph 3 of this SF2, the Lessor shall provide 24 reserved and secured parking spaces for official Government vehicles in the building's parking garage as shown on the Parking plans attached hereto as Attachment B. In addition to the foregoing official parking spaces, throughout the term of the lease, the Government, including Government employees occupying the leased premises, may purchase individual permits separate and apart from the rental due under Paragraph 3 hereof to lease up to 628 parking spaces in the building's garage at initial annual rates of \$1,080.00 (or \$90.00 per month) for non-reserved spaces, which rates shall be subject to annual market adjustments commencing with the second year of the lease term.

R. The Lessor shall not make any substitutions of any key personnel set forth in the list attached as Attachment L to this SF 2 without the advanced written permission of the Government. Substitutions will only be permitted where the Lessor can demonstrate to the satisfaction of the GSA Contracting Officer that the proposed substitution has qualifications and experience equal to or greater than the individual being replaced.

S. The Lessor shall ensure and provide as necessary at Lessor's expense, all Fire and Life Safety improvements of

this SFO to ensure that the building meets all local and national codes, including NFPA 101. Without limiting the foregoing, Lessor agrees to make improvements specified as part of the Attachment #4 and as recommended by GSA fire safety review. All improvements must be made prior to the Government's acceptance of space.

T. In the event of a conflict between this SF2 and any of its attachments, the SF2 shall govern.

7. The following are attached and made a part hereof:

- A. Floor Plans of the Leased Area, 18 pages
- B. Parking Plans, 5 pages
- C. Solicitation For Offers No. 07-012, 59 pages
- D. SFO Attachment #1 - Rate Structure, Attachment #2, and Attachment # 3 - 3 pages
- E. Attachment #4 Fire Life Safety Evaluation - 19 pages
- F. Seismic Certification, 8 pages
- G. Pre-Lease Building Security Plan, 11 pages
- H. GSA Form 1217, 1 page
- I. GSA Form 3517B, 33 pages
- J. GSA Form 3518, 7 pages
- K. Small Business Subcontracting Plan, 17 pages
- L. List of Key Personnel, 1 page
- M. Proposal narrative, renderings, drawings, floor plans, elevations, and schedule for new wing, 10 pages
- N. Proposal narrative, graphic, and schedule for parking shuttle elevators, 3 pages
- O. Proposal narrative, descriptions, specifications, and schedule for replacement of passenger and freight elevator operating systems and controls, 11 pages
- P. Proposal narrative, graphics, elevations, and schedule for replacement of elevator lobby finishes, 4 pages
- Q. Graphics, plans, drawings, and elevations for new main lobby security desk, 5 pages
- R. Proposal narrative and site plan for relocation of shuttle bus stop, 2 pages
- S. Response to the Government's Building Assessment Report, 4 pages
- T. Schedule for renovation of Swing Space and three floors in One Skyline Tower, 2 pages
- U. Renovation Plan, 4 pages
- V. Swing Space floor plans, 2 pages
- W. Shuttle Bus Schedules, 2 pages

8. The following changes were made in this lease prior to its execution: Paragraphs 4 and 5 have been deleted in their entirety.

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

Lessor: CESC Skyline LLC, a Delaware limited liability company

By: Vornado Shenandoah Holdings LLC, its sole equity member

By: Vornado R [REDACTED]

By: Vornado [REDACTED] partner

By: [REDACTED] (SEAL)

Commercial Realty Division

Date: 11/15/07

DRESS [REDACTED]

UNITED STATES OF AMERICA

BY Yvette M. Green [REDACTED]

CONTRACTING OFFICER