

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDING SERVICE
SUPPLEMENTAL LEASE AGREEMENT**

SUPPLEMENTAL AGREEMENT
NO. 9

DATE MAY 18 1999

TO LEASE NO.
GS-11B-40155

ADDRESS OF PREMISES

The Portals, 445 - 12th Street, SW, Washington, DC 20024


THIS AGREEMENT, made and entered into this date by and between,
PARCEL 49C LIMITED PARTNERSHIP

whose address is
c/o Republic Properties Corporation,
1250 Maryland Avenue, S.W., Suite 280
Washington, D.C. 20024

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

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective as of August 15, 1998, as follows:

Upon execution by all parties 

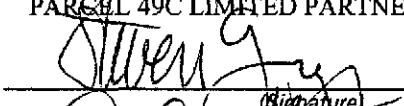
See Continuation Pages 2-3 of this SLA for the terms and provisions of this SLA No. 9

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR PARCEL 49C LIMITED PARTNERSHIP, by Portals Development Associates Limited Partnership, Its General Partner

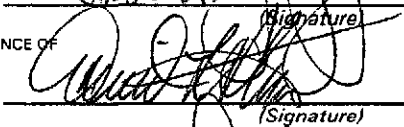
BY



General Partner

(Title)

IN PRESENCE OF

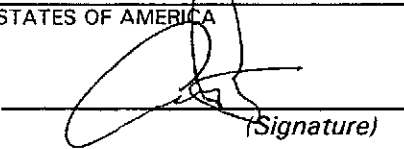


1250 Maryland Avenue, S.W., Washington, DC

(Address)

UNITED STATES OF AMERICA

BY



Contracting Officer

(Official Title)

Issued to: (i) reflect an increase in the operating costs to be paid to the Lessor as a result of the Government's lease of the parking garage at the building in which the leased premises are located; (ii) confirm the base annual rent and operating expense base; (iii) confirm the agreements with respect to operations, maintenance, repairs, replacements and utilities with respect to the operation of the garage and, (iv) memorialize the settlement of the Claim submitted by the Lessor for past due rent;

- A. Paragraphs 2 and 5 of the SLA No. 1 to the Lease are hereby modified and restated in their entirety to confirm the base annual rent and to reflect the increase in operating costs outlined in the introductory paragraph of this SLA, as follows:

2. Rental Rate

(retroactive to 8/15/98) SA

The base annual rental shall be \$22,653,938.16 per annum, payable in equal monthly installments of \$1,887,828.18 in arrears. The base annual rent includes the following components:

- (a) \$21,403,938.16 for the 535,580 NUSF on the Maine Avenue, 12th Street Entrance, and Courtyard Levels and Levels 1 through 8; and
- (b) \$1,250,000.00 for the use of the parking garage subject to the terms and provisions of Exhibit A attached to SLA No. 4 to this lease.

The portion of the base annual rental set forth in paragraph 2(a) above shall escalate for increases in operating costs as provided in paragraph 5 below; the portion of the base annual rent set forth in paragraph 2(b) above shall escalate each year during the term of the lease as provided in Exhibit A attached to SLA No. 4 to the lease. In addition to the foregoing base annual rent as escalated, the Government is obligated to pay additional rent to amortize the cost of various Government directed improvements to the leased space and the building in which the leased space is located in accordance with Section B of SLA No. 4 to the lease. As of the date of this SLA, the additional annual rent payable by the Government to amortize the cost of Government directed improvements in accordance with Section B of SLA No. 4 to the lease is \$4,128,419.88, which is payable in monthly installments of \$344,034.99 in arrears.

5. Operating Costs

The base rate for operating cost adjustments is established as \$5,824,836.49 for the twelve (12) month period beginning June of 1993. Immediately upon commencement of the lease, and each year thereafter (such adjustments to be implemented and effective as of June 1 of each year during the term of the lease), the Government shall pay adjusted rent for changes in the cost of services in addition to the base rental amount set forth in paragraph 2 above. For purposes of calculating the adjustment for operating costs in accordance with paragraph 20 Operating Costs, "the index figure published for the month prior to rent commencement dates as determined in accordance with SLA No.1 and confirmed by SLA No. 3.

(Amended 8/15/98) SA

- B. With respect to operation of the garage, the Lessor hereby agrees to be responsible for the repair and maintenance of the equipment and mechanical systems serving the garage. In consideration of the Lessor agreeing to accept such responsibility, it is understood and agreed that the Government will reimburse the Lessor for the costs of undertaking such maintenance and

Lessor 89 Government SA

repair work, either on a time and materials plus a fee basis or through an increase in the base annual rent and base rate for operating expenses hereunder the Lessor's proposal to provide such repair and maintenance services, a copy of which is attached to this SLA No. 9 as Exhibit A and is hereby incorporated herein by this reference, sets forth a listing of the garage equipment to be operated, maintained and repaired by Lessor, the cost of which has been added to the base annual rent and the base rate for operating expense adjustments by the terms of this SLA. To the extent not specifically listed on Exhibit A, the cost for any repair and maintenance work for garage equipment shall be reimbursed to Lessor on a time and materials basis. In addition to the equipment repair and maintenance services, the Lessor shall also provide the following services as provided in Exhibit A as part of the annual rental and at no additional cost to the Government: (i) periodic power sweeping and degreasing of the garage, (ii) re-stripping, (iii) upkeep of all painted surfaces in open areas in the garage, and (iv) daily trash removal and policing of the garage deck. To the extent any garage equipment (except that identified in Exhibit A attached hereto) requires replacement during the term of the Lease, then upon authorization by the Government such items shall be replaced by the Lessor as other above SFO-standard work in accordance with Paragraph 6 of SLA No. 1 at the Government's cost.

C. As part of the rental consideration set forth in Section A above, the Lessor hereby grants to the Government the right, during the term of this lease, to use and occupy the parking management/control office on the Maine Avenue level of the Building as shown in the floor plan attached hereto as Exhibit B; provided, however, if the Government fails to pay to the Lessor the rent deficiency payment as set forth in Section E below by May 1, 1999, the Government's right to use and occupy the space shown on Exhibit B to this SLA shall immediately lapse and be of no further force and effect.

D. With respect to the operating expense credit in the amount of \$1.50 per NUSF per annum allowed to the Government from the rent commencement date for each phase until the substantial completion of each phase, this shall confirm that the Government shall be entitled to such credit until the date it actually occupies each phase of the leased space.

~~E. In full and complete settlement of the Claim and Request for Contracting Officer's Final Decision dated MARCH 4, 1999 submitted by the Lessor and in full satisfaction of all claims, asserted or unasserted, by either the Lessor or the Government with respect to rental amounts accrued through March 31, 1999 and payable through April 1, 1999 under this Lease, the Government shall pay to the Lessor the sum of \$457,083.85 not later than May 1, 1999.~~ 89 d

Lessor

Government