

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDING SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT

NO. 7

DATE

6/4/98

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 upon complete execution hereof, as follows:

See Continuation Pages 2-8 of this SLA for the terms and provisions of this SLA No. 7

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

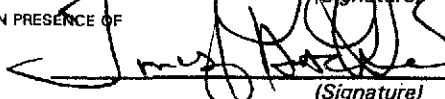
BY


(Signature)

General Partner

(Title)

IN PRESENCE OF


(Signature)

1250 Maryland Avenue, S.W., Washington,

(Address)

UNITED STATES OF AMERICA

BY


(Signature)

Contracting Officer

(Official Title)

This SLA No. 7 is issued: (i) to reflect the leasing of additional space on the Courtyard Level of the building by the Government, and (ii) to grant to the Government the right to implement various access control measures with respect to certain entrances and the loading docks at the building in which the leased space is located (the "Building"), as follows:

A. Paragraph 1, 2, 4 and 5 of SLA No. 1 to the Lease, as previously amended by SLA No. 4 and SLA No. 6 to the Lease, are hereby modified and restated in their entirety to confirm the space leased, including an addition as previously amended by SLA No. 1 to the Lease. 450 NUSF leased by the Government pursuant to the terms of this SLA No. 7 on the Courtyard Level of the building to assist the Government in implementing its desired access control measures, to confirm the base annual rent for such leased space, and to confirm the Government's percentage of occupancy and base operating costs, as follows:

1. Amount of Space

The Lessor leases to the Government, and the Government agrees to lease, the following described premises:

(a) A total of 535,580 NUSF of office and related space consisting of 7,098 NUSF on the Maine Avenue level; 49,845 NUSF on the 12th Street Entrance Level; 44,517 NUSF on the Courtyard Level; 54,265 NUSF each on Levels 1 through 8, in the building known as Portals Building, Phase II, located at 445 12th Street, S.W., Washington, D.C. 20024. It is the intent of the Government that the [REDACTED] shall be the initial occupant of the leased space (this shall not in anyway alter the Government's rights under the General Clauses incorporated in this Lease, including but not limited to clauses 12 and 13 thereof); and

(b) Subject to each of the terms and conditions of Exhibit A attached to and incorporated in SLA No. 4 to the Lease, the entire parking garage in the building known as Portals Building, Phase II, located at 445 12th Street, S.W., Washington, D.C. 20024.

2. Rental Rate

The base annual rental shall be \$22,579,747.65 per annum. payable in equal monthly installments of \$1,881,645.64 in arrears. The base annual rent includes the following components:

Lessor \$4 Gov't Prop

(a) \$21,329,747.65 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 and incorporated in SLA No. 4 to the 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 from time to time, 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.

4. Tax Adjustment

The Government's percentage of occupancy for determining its percentage share of any increases in real estate taxes is established as 98.37%.

5. Operating Costs

The base rate for operating cost adjustments is established as \$5,750,645.95 for the twelve (12) month period ending with June, 1993. Immediately upon commencement of the lease, and each year thereafter, 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 in accordance with the base rate. 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 date" shall mean the index figure published for May of 1993. No adjusted rent for operating costs shall be due, or interest thereon payable, for any period prior to rent commencement dates as determined in accordance with SLA No. 1 and confirmed by SLA No. 3.

B. The Lessor hereby grants to the Government the right to implement the building access control measures described on Exhibit A to this SLA No. 7. Any costs or expenses incurred to implement, maintain, modify and remove such access control measures shall be the sole obligation and responsibility of the Government. Further, all access control guards shall be the agents of the Government and not of the Lessor, and the Government shall be fully responsible for their actions.

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