

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

*July 14, 2009*

LEASE NO. GS-02E-23667 / BUILDING NO. NY7184

THIS LEASE, made and entered into this date by and between **WELLS REIT-HOLTSVILLE, NY, LLC**

whose address is: c/o Piedmont Office Realty Trust, 11695 Johns Creek Parkway, Suite 350, Johns Creek, GA 30097

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:

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

- The Lessor hereby leases to the Government the following described premises:  
Fifty-two thousand six hundred ninety-seven (52,697) rentable square feet (RSF) yielding forty-five thousand eight hundred twenty-three (45,823) ANSI/BOMA Office Area square feet (USF), of office and related space on part of the first floor in the building known and designated as 5000 Corporate Court, Holtsville, New York 11742 ("Building"), as shown on the floor plan labeled "Exhibit A" attached hereto and made a part hereof; together with the right by the Government to use three hundred seventy-one (371) parking spaces located in the Building parking lot, as shown on the plan labeled "Exhibit B" attached hereto and made a part hereof (together the "Premises").
- TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on:  
**SEE ATTACHED RIDER PARAGRAPH 8**
- The Government shall pay the Lessor annual rent of:  
**SEE ATTACHED RIDER PARAGRAPH 11**
- ~~The Government may terminate this lease in whole or in part at any time~~
- ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

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

LESSOR

WELLS REIT-HOLTSVILLE, NY, LLC, a Georgia LLC,

By: Piedmont Operating Partnership, LP, a Delaware LP  
By: Piedmont Office Realty Trust, Inc, Maryland Corp  
By: George Wells, SVP

BY

(Signature)

IN PRESENCE OF



(Address)

UNITED STATES



Contracting Officer, General Services Administration  
(Official Title)

**RIDER TO LEASE No: GS-02B-23667**

6. The following are attached and made a part hereof:
- a) Rider To Lease, containing Paragraphs 6 through 36;
  - b) Section 1.0, Summary, paragraphs 1.1 through 1.6;
  - c) Section 2.0, Award Factors, paragraph 2.1
  - d) Section 3.0, Miscellaneous, paragraphs 3.1 through 3.17;
  - e) Section 4.0, General Architecture, paragraph 4.1 through 4.14;
  - f) Section 5.0, Architectural Finishes, paragraph 5.1 through 5.22;
  - g) Section 6.0, Mechanical, Electrical, Plumbing paragraphs 6.1 through 6.19;
  - h) Section 7.0, Services, Utilities, Maintenance, paragraphs 7.1 through 7.10;
  - i) Section 8.0, Safety and Environmental Management, paragraphs 8.1 through 8.12;
  - j) Section 9.0, Lease Security Standards, paragraphs 9.1 through 9.32
  - k) Section 10.0, Special Requirements
  - l) General Clauses, GSA Form 3517B, paragraphs 1 through 48;
  - m) Representations and Certifications, GSA Form 3518, paragraphs 1 through 9;
  - n) Attachment "1," Nassau/ Suffolk, NY Field Office Agency Requirements;
  - o) Exhibit "A," First floor plan highlighting the demised premises;
  - p) Exhibit "B" diagram highlighting the parking area.
7. The Lessor shall construct the Premises so as to deliver it in accordance with all of the requirements of this lease including, but not limited to, Section 10, Special Requirements, ready for occupancy by the Government, no later than one hundred eighty 180 working days after receiving the Notice to Proceed from the Government.
8. The term of this Lease shall commence upon Substantial Completion of all alterations specified in this Lease and shall run for a period of fifteen (15) years thereafter, subject to the termination right set forth below. The Commencement Date of the Lease shall be more particularly set forth in a Supplemental Lease Agreement (SLA) to this lease.
9. The Government may terminate this Lease in whole at any time on or after the last day of the tenth (10<sup>th</sup>) year by giving at least one hundred eighty (180) days' prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination.
10. The Lessor shall contribute a Tenant Improvement (hereinafter "TI") Allowance of \$2,082,655.35 towards the cost of TI. Such contribution has been included as part of the rental consideration set forth in Paragraph No. 11 below. The Lessor's contribution toward the TI cost shall be amortized over the 10-year term of the lease at an interest rate of 7.5% per annum (\$5.63 per RSF per annum). If the TI cost exceeds the Tenant Improvement Allowance of \$45.45 per USF, then the Government shall have the option to either (i) pay the Lessor the difference between \$45.45 per USF and the total TI cost in a one-time lump sum payment upon Substantial Completion of the TI, acceptance thereof by the Government and submission of a proper invoice by the Lessor, or (ii) have the right to amortize the difference into the rent in the same manner as set forth above. Should the Government elect to amortize said difference into the rent, the corresponding increase in rent for each lease year will be paid by the Government starting in the first year of the lease. The free rent period for the first year of the lease term will not apply to this amount. In the event the TI cost is less than \$45.45 per USF, only the actual TI cost shall be amortized into the annual rent at the same interest rate and in the same manner as set forth above and the rental rate set forth in Paragraph No. 11 below shall be reduced accordingly. Such additional payment or rental reduction, if applicable, will be memorialized in a Supplemental Lease Agreement.
11. The Government shall pay the Lessor annual rental as follows:

There shall be no rent payable to the Lessor for the first year of the lease term.

For years 2 through 5 of the lease term, a total annual rental of \$25.10 per RSF for a total of \$1,322,694.70 per annum at the rate of \$110,224.56 per month in arrears; which annual rental includes \$5.63 per RSF (\$296,657.85 per annum) for the amortization of the Lessor's contribution to the TI cost plus annual operating cost escalations referenced in Paragraph 13 below. This annual rental shall be subject to adjustment as set forth in paragraph 10 of this Rider above and paragraphs 3.5, 3.6 and 3.12 herein. Rent for a lesser period shall be prorated.

For years 6 through 10 of the lease term, a total annual rental of \$28.60 per RSF for a total of \$1,507,134.20 per annum at the rate of \$125,594.52 per month in arrears; which annual rental includes \$5.63 per RSF (\$296,657.85 per annum) for the amortization of the

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Lessor's contribution to the TI cost plus annual operating cost escalations referenced in Paragraph 13 below. This annual rental shall be subject to adjustment as set forth in paragraph 10 of this Rider above and paragraphs 3.5, 3.6 and 3.12 herein. Rent for a lesser period shall be prorated.

For years 11 through 15 of the lease term, a total annual rental of \$29.85 per RSF for a total of \$1,573,005.45 per annum at the rate of \$131,083.79 per month in arrears; plus annual operating cost escalations referenced in paragraph 13 below. This annual rental shall be subject to adjustment as set forth in paragraphs 3.5, 3.8 and 3.12 herein. Rent for a lesser period shall be prorated.

12. For the purposes of the Real Estate Tax Adjustment clause pursuant to SFO Section 3.3 of the Lease, the Government is deemed to occupy 20.29 % of the rentable area of the Building.
13. For the purposes of the Operating Cost Escalation pursuant to SFO Section 3.6 Operating Costs of the Lease, the base rate shall be \$444,762.68 per annum or \$8.44 per RSF.
14. Pursuant to SFO Section 7.3 B ,Overtime Usage, the overtime rate for heating and air conditioning (HVAC) shall be \$40.00 per hour. At the end of year five (5) and year ten (10) of the lease term, the Lessor shall provide the Government with a proposal for a price adjustment to this rate. Such proposal shall be based upon prevailing market conditions, building comparables and the Government's historical usage. Upon the Government's and Lessor's acceptance of this price adjustment, the overtime rate for HVAC shall be amended in a Supplemental Lease Agreement (SLA) to this lease. In the event the Lessor fails to provide the Government with said proposals, the existing rate shall govern and control until such information is delivered to and agreed upon by both the Government and the Lessor.
15. The Lessor shall furnish domestic water and chilled drinking water, electric, and gas services, at no additional cost to the Government during the term of this Lease.
16. The common area factor is established as 1.1500 (52,697 RSF / 45,823 USF).
17. In accordance with the SFO paragraph 3.12 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.50 per USF for vacant space.
18. The Lease shall not be binding on either party until it has been executed by a duly authorized official of the U.S. General Services Administration and Lessor.
19. Wherever the words "Offeror" or "Successful Offeror" appear in the lease they shall be deemed to mean "Lessor". Wherever the words "Solicitation", "Solicitation for Offers" or "SFO" appear in this lease they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this lease they shall be deemed to mean the "leased premises", "premises" or "Premises" and where the word "Lessee" is used herein it shall be deemed to mean Government.
20. If any term or provision of the Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease or the application thereof of such term or provision to persons or circumstances other than those as which it is held invalid or unenforceable shall not be effected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
21. Each employee of the Lessor and/or its contractor(s) employed in the operation of the building shall be (1) citizen of the United States of America; (2) an alien who has been lawfully admitted for permanent residency as evidenced by Alien Registration Receipt Card Form I-151; or (3) an alien who presents other information from the Immigration and Naturalization Services that employment will not effect his/her immigration status.
22. If during the term of the Lease, including extensions, the title to this property is transferred to another person either by sale, foreclosure, condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany this notification:
  - a) A certified copy of the deed transferring title of the property from the Lessor to the new owner.
  - b) A letter from the new owner assuming, approving and agreeing to be bound by the terms of this lease.
  - c) A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of transfer, provided the Government is current on rent and all other obligations under the Lease. The Lessor acknowledges that the Government pays rent one (1) month in arrears.
  - d) The new owner's taxpayer's identification number or Social Security number.
  - e) The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all partners fully. If a

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