

## **FIRST AMENDMENT TO LEASE**

This First Amendment to Lease (the "First Amendment") is made and entered into this 24<sup>th</sup> day of December, 2005, by and between **WELLS OPERATING PARTNERSHIP, L.P.** ("Landlord") and **INTERNATIONAL BUSINESS MACHINES CORPORATION** ("Tenant").

WHEREAS, Sunset Hills, LLC, as landlord, and Tenant entered in a Lease dated February 1, 2002 (the "Lease"), under which Tenant leased approximately 99,794 square feet of rentable area (the "Premises") consisting of the entire office building (floors one through six) located at 11107 Sunset Hills Road, Reston, Virginia, known as Sunset Corporate Plaza I (the "Building"); and

WHEREAS, Landlord has succeeded to the ownership interest of Sunset Hills LLC in the Building; and

WHEREAS, the Lease provides that, for the purpose of calculating operating expense and real estate tax increases, the 2002 calendar year is the Operating Expense Base Year and the Real Estate Tax Base Year; and

WHEREAS, pursuant to Section 4.06(d) of the Lease, Tenant conducted an audit of Landlord's Operating Expenses and Real Estate Taxes with respect to the Building for the 2002 and 2003 calendar years; and

WHEREAS, Tenant's audit suggested discrepancies between Landlord's actual Operating Expenses and Real Estate Taxes for the 2002 and 2003 calendar years; and

WHEREAS, Landlord and Tenant have reached an agreement with respect to certain adjustments to be made to the Operating Expense Base Year, and to Tenant's Share of Operating Expenses for the 2003 calendar year; and

WHEREAS, Landlord and Tenant wish to amend the Lease to reflect such adjustment, all on the terms hereinafter contained.

NOW THEREFORE, in consideration of the foregoing, and other good and valuable consideration, the receipt and sufficiency of which is acknowledged by the parties, the parties agree as follows:

1. **Operating Expense Base Year.** Landlord hereby increases its initial determination of the actual Operating Expenses incurred during the 2002 calendar year by Sixty-two Thousand Seven Hundred Eighteen and 00/100 Dollars (\$62,718.00), pursuant to the specific calculations set forth in its letters to Tenant of April 12, 2005 and November 3, 2005, copies of which are attached hereto as **Exhibit A**. The parties agree that the resulting increased Operating Expense Base Year shall be binding on the parties for all purposes and is not subject to any further review or audit.

2. **Real Estate Tax Base Year.** Landlord's initial calculation of \$154,912.00 as the amount for the Real Estate Tax Base Year is final and such amount shall be binding on the parties for all purposes and is not subject to any further review or audit.

3. **Operating Expenses for 2003 Calendar Year.** Pursuant to the specific calculations set forth in **Exhibit A**, Landlord agrees to credit Tenant with Two Hundred Twenty-two Thousand Two Hundred Eighty-one and 94/100 Dollars (\$222,281.94), representing a credit for (a) overpayment by Tenant of estimated Operating Expenses for electricity, maintenance payroll and administration expense for the 2003 through 2005 calendar years (based upon the adjustment to the Operating Expense Base Year as referenced in Section 1 above) (\$156,795.04), and (b) adjustment for Landlord's management fees for the 2003 through 2005 calendar years (\$65,486.90). Such credit shall be applied towards Tenant's Fixed Rent and Additional Rent obligations for the month of January, 2006. The parties agree that the foregoing adjustments (y) of Tenant's Share of Operating Expenses due to electricity, maintenance payroll and administration expense charges for the 2003 through 2005 calendar years, and (z) for Landlord's management fees for the 2003 through 2005 calendar years, shall be binding on the parties for all purposes and are not subject to any further audit or revision.

4. **Lease Sections Modified.** Landlord's notice address [Article XVIII (Notices)] is modified to state:

Wells Operating Partnership, L.P.  
c/o Wells Real Estate Funds  
Attention Vice President of Asset Management  
6200 The Corners Parkway  
Norcross, Georgia 30092-3365

5. **Defined Terms.** Except as otherwise expressly provided herein, all defined terms shall have the same meanings as provided in the Lease.

6. **Headings.** Headings contained in this First Amendment are for convenience only and are not substantive to the provisions of this First Amendment.

7. **Lease Terms Ratified.** Except as otherwise expressly provided herein, and unless inconsistent with the terms hereof, all other terms, conditions and covenants of the Lease are hereby ratified and confirmed.

IN WITNESS WHEREOF, the parties have executed this First Amendment by affixing their hands and seals as of the date noted above.

WITNESS/ATTEST:

*Nan Wolek*

**Landlord:**

**WELLS OPERATING PARTNERSHIP, L.P.,**  
a Delaware limited partnership

By: Wells Real Estate Investment Trust, Inc.,  
a Maryland corporation, general partner

By: 

Name: Douglas P. Williams

Title: Executive Vice President

**Tenant:**

WITNESS/ATTEST:

**International Business Machines Corporation, a**  
**New York corporation**

*Jelly J. Maxwell*

*Sri*

By: 

[SEAL]

Name: D. R. Buchanan

Title: Sr. Program Mgr.

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## EXHIBIT A



April 12, 2005

**VIA: FACSIMILE**

(404) 239-2700  
Mr. Don Buchanan  
Senior Program Manager  
International Business Machines Corporation  
4111 Northside Parkway  
Atlanta, GA 30327

**VIA: FACSIMILE**

(410) 418-4902  
Mr. Shawn M. Hoyer  
Real Estate Auditing Services  
8358 Main Street  
Ellicott City, MD 21043

**RE: International Business Machines Corporation  
Operating Expense Review  
11107 Sunset Hills Road, Reston, VA**

Gentlemen:

The following is the landlord's response to the Preliminary Report dated October 26, 2004 performed by Real Estate Auditing Services (the "Auditor") on behalf of its client, International Business Machines Corporation ("IBM" or the "Tenant"). Each entry will be addressed in the same order as the Auditor has presented them (capitalized terms will have the same meaning as set forth in the Lease dated February 1, 2002 between Sunset Hills, LLC, as Landlord, and IBM, as Tenant).

Electricity: Auditor recommends an increase in Electricity expense of \$43,787 to \$193,478 based on occupancy during 2002.

**Landlord disagrees with auditor. Per Section 6.01(a)(6) of the Lease, Tenant is responsible for utilities expense in excess of \$1.50 per square foot of rentable area of the Leased Premises. This rate multiplied by 99,794 square feet is equal to \$149,691. Based on this fact, Landlord does not agree with an increase in base year expense.**

Maintenance Payroll: Auditor recommends an increase in Maintenance expense of \$16,283 to \$58,061 based on occupancy during 2002.

**Landlord agrees with auditor. Maintenance salaries increased on 2003 as the result of full occupancy of the property. As a result of this fact, Landlord agrees to increase base year administration expense by \$16,283.**

Administration: Auditor recommends an increase of \$12,551 to \$26,264 based on occupancy during 2002.

**Landlord agrees with auditor. This expense category represents the property manager's salary and is allocated based on the amount of time the manager spends on the property. In 2003, more of the property manager's time was allocated to this property based on full**

occupancy. As a result of this fact, Landlord agrees to increase base year administration expense by \$12,551.

Professional Fees: Auditor recommends an increase of \$5,054 based on occupancy during 2002. Landlord disagrees with auditor. This expense category is not typically grossed-up as professional fees can occur in one year and not in another. Based on this fact, Landlord does not agree with an increase in base year expense.

Management Fee: Auditor recommends property management fee be increased by \$35,486 to \$123,578 due to occupancy during 2002.

The landlord disagrees with Auditor. A full year of occupancy at the initial rental rate of \$23.23 psf results in gross revenue of \$2,318,168. Using the 4% management fee for that time period and the substantially occupied provision addressed in Section 4.06(e), we calculate a base year management fee of \$88,092.15. Based on this fact, Landlord does not agree with an increase in base year expense.

Property Taxes – Auditor recommends an increase in base year Real Estate Taxes of \$51,652 to \$209,564 based on occupancy during 2002.

Landlord disagrees with auditor. Auditor's assumption of fully occupied assessed value is incorrect. Pursuant to section 4.06(e) of the Lease, only Operating Expenses (as defined) are subject to an occupancy adjustment. Based on these facts, Landlord does not agree with an increase in base year expense.

In summary, the Landlord agrees to increase the base year for operating expenses by \$28,834. We hope you agree with the rationale presented herewith. We look forward to your acknowledgement of our findings so that we may bring this issue to a close. Please contact me at (770) 243-8227 with any questions.

Sincerely,

Mark Preston  
Vice President, Asset Management

Cc: John MacMullen, Wells Real Estate Funds  
Kim Sinkovic, Jones Lang LaSalle



November 3, 2005

***VIA: FACSIMILE***

(404) 239-2700  
Mr. Don Buchanan  
Senior Program Manager  
International Business Machines Corporation  
4111 Northside Parkway  
Atlanta, GA 30327

***VIA: FACSIMILE***

(410) 418-4902  
Mr. Shawn M. Hoyer  
Real Estate Auditing Services  
8358 Main Street  
Ellicott City, MD 21043

**RE: International Business Machines Corporation  
Operating Expense Review  
11107 Sunset Hills Road, Reston, VA**

Gentlemen:

We completed our review of the two remaining items of the operating expense review: electricity expense and management fees. The following is the landlord's response to these items that we discussed at our meeting on October 3, 2005 (capitalized terms will have the same meaning as set forth in the Lease dated February 1, 2002 between Sunset Hills, LLC, as Landlord, and IBM, as Tenant).

Electricity: Auditor and Tenant suggest that the \$1.50 psf "base rate" for electricity referenced in 6.01(a)(6) of the Lease is for electric current for lighting and equipment and does not include electricity required to run the HVAC system.

**The Landlord agrees with auditor that electricity expense is understated in the Base Year. An analysis was performed using the 2004 electricity expense for 11109 Sunset Hills Road, Reston, VA. This property was vacant during this period and the electricity cost per square foot was used to determine the fixed component of electricity expense. It should be noted that the per kwh rate has not changed since January 2002. The average fixed electricity cost based on this analysis is \$0.08 per square foot per month. When multiplied by 99,794 square feet, this results in a fixed electricity cost of \$94,269 for the Base Year. The remainder of the 2002 electricity expense was grossed up to 95% resulting in a total Base Year electricity expense of \$183,575 or \$1.84 per square foot. As a result of this fact, Landlord agrees to increase base year electricity expense by \$33,884. This results in a credit of \$84,710.04 for the period of Wells ownership beginning July 2003 through the end of 2005.**

Management Fee: Auditor and Tenant suggest that property management fee is overstated in 2003 and subsequent years.

**The Landlord agrees with Auditor. The management fee percent is too high from mid-2003 through 2005. It should be 4% and was billed at 5% during that time. This results in a credit of \$65,486.90 for the period of Wells ownership beginning July 2003 through the end of 2005.**

**In summary, the Landlord agrees to increase the base year for operating expenses by \$62,718 (\$28,834 from prior analysis plus \$33,884 from this analysis). IBM is due a credit of \$222,281.94 (based on above amounts plus \$72,085.00 from prior analysis). We hope you agree with the rationale presented herewith. We look forward to your acknowledgement of our findings so that we may bring this issue to a close. Please contact me at (770) 243-8227 with any questions.**

Sincerely,

Mark Preston  
Vice President, Asset Management

Cc: John MacMullen, Wells Real Estate Funds  
John Oliver, Wells Real Estate Funds  
Regina Rees, Jones Lang LaSalle