

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDING SERVICES

SUPPLEMENTAL AGREEMENT

DATE

No. 2
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September 26, 2011

SUPPLEMENTAL LEASE AGREEMENT

TO LEASE NO.
GS-03B-09612

PDN NO.
PS0020600

ADDRESS OF PREMISE **Mellon Independence Center
701 Market Street
Philadelphia PA 19106-1538**

THIS AGREEMENT, made and entered into this date by and between

whose address is **Independence Center Realty, LP
701 Market Street
Philadelphia, PA 19106-1538**

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

WHEREAS, the parties hereto desire to amend the above Lease. To establish the lease term, to establish termination rights, to establish the annual rent, to establish payment of change orders, and to establish language for the fail secure fire door within the agency's space.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective **August 9, 2011**, as follows:

A. Paragraph 2 of the Standard Form 2 is hereby deleted in it's entirety and replaced as follows:

"TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on August 9, 2011 through August 8, 2026, subject to termination and renewal rights as may be hereinafter set forth."

B. Paragraph 3 of the Standard Form 2 is hereby deleted in it's entirety and replaced as follows:

"The Government shall pay the Lessor annual rent of \$493,748.00 at a rate of \$41,145.75 per month in arrears. Rent for a lessor period shall be prorated. Rent checks shall be made payable to:

**Independence Center Realty, LP
701 Market Street
Philadelphia, PA 19106-1538"**

C. Paragraph 4 of the Standard Form 2 is hereby deleted in it's entirety and replaced as follows:

"The Government may terminate this lease in whole or in part effective at any time after August 9, 2018 by giving at least one hundred and twenty (120) days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing."

This SLA contains 3 pages.

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

LESSOR: **Independence Realty Center, LP**

BY Mark P. Merlini
(Signature)

IN THE PRESENCE OF

Carol Coyle
(Signature)

Independence Center Realty L.P.

By: ICR-I, Inc., its general partner

By: Mark P. Merlini, its vice president

701 Market Street, Philadelphia, PA 19106

(Address)

UNITED STATES OF AMERICA GSA, Public Building Service, North Service Center

BY Allen L. Bass
(Signature)

Contracting Officer

(Official Title)

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D. Paragraph 13 of the Lease Rider is hereby deleted in its entirety and replaced with the following:

"Upon signed acceptance of the leased premises by the Government, the same shall be measured and rent shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of: \$28.198109 per Rentable Square Foot (RSF) or \$493,748.86 annually consisting of shell, operating, and tenant improvement costs as outlined below:

Years 1 through 5:

Annual Shell Rent: \$242,338.40 or \$13.84/RSF

***Amortized Annual rate for Tenant Improvement Allowance:** \$99,773.87

***Interest rate** at which Tenant Improvements are amortized: 6.5%

Annual Cost of Services: \$151,636.60, plus accrued escalations per Paragraph 4.3, Operating Costs

Years 6 through 7:

Annual Shell Rent \$268,603.40 per year or \$15.34/RSF

***Amortized Annual rate for Tenant Improvement Allowance:** \$99,773.87

***Interest rate** at which Tenant Improvements are amortized: 6.5%

Annual Cost of Services: \$151,636.60, plus accrued escalations per Paragraph 4.3, Operating Costs

Years 8 through 10:

Annual Shell Rent \$268,603.40 per year or \$15.34/RSF

Annual Cost of Services: \$151,636.60, plus accrued escalations per Paragraph 4.3, Operating Costs

Years 11 through 15:

Annual Shell Rent \$303,623.40 per year or \$17.34/RSF

Annual Cost of Services: \$151,636.60, plus accrued escalations per Paragraph 4.3, Operating Costs

The total cost of Tenant Improvements (TI) is \$559,919.52 which will be amortized at the rate of 6.5% over the firm term of the first seven (7) years of the lease."

Initials:  & 
Lessor Gov't

E. In separate correspondences, Notice to Proceeds were issued on the following change orders .

Change Order		Date NTP Was Issued
16 Gauge metal walls adjacent to perimeter walls		June 24, 2011
Additional plywood/moving electrical		June 24, 2011
Tele/data demark extension from basement to 7 th floor		June 30, 2011
Premium time on Saturday		June 30, 2011
3 man bars		June 30, 2011
Programming elevators to stop on 7 th floor		June 30, 2011
Security upgrades		July 7, 2011
Hollow metal side lights for 3 rooms		July 14, 2011
Relocation of condenser line		August 2, 2011
Flexible power whips to furniture		August 2, 2011
Basement junction box		August 16, 2011
Security screens for south windows		August 16, 2011
TOTAL	\$173,488.90	

Upon completion of all the above referenced work, the Lessor shall notify the Contracting Officer for final inspection and acceptance of the space. The Lessor hereby waives future restoration rights as a result of these improvements. After inspection and acceptance of these items and all other lease requirements, the Lessor must submit a properly executed invoice to the Greater Southwest Region (7BC), P.O. Box 17181, Fort Worth, Texas 76102-0181.

A properly executed invoice must reference the PDN number, lease, and SLA number and a description of the work and amount billed. A copy of the invoice must also be sent to the Contracting Officer at The Strawbridge's Building, 20 North 8th Street, Philadelphia, PA 19107. Payment in the above referenced amounts for these improvements will become due within thirty (30) days of acceptance of the work by the Government.

F. The Government's space has a self-locking emergency egress door that leads to the Building's fire tower. The Philadelphia Fire Code requires that the locking mechanisms automatically disengage during an emergency when an alarm sounds to allow ingress and egress through these doors. Such an alarm is called a "Fail Safe" system. In the interest of the premises security, the Government requires that Suite 7000 be constructed with an alarm system other than a "Fail Safe" system. Instead during an emergency when an alarm sounds the self-locking mechanisms at Suite 7000 should disengage only to permit egress from the premises. Such an alarm is called "Fail Secure" system. A "Fail Secure" system requires a variance from the fire code to be issued by the Fire Department because, under certain circumstances, firefighters may have to break down the "Fail Secure" doors to rescue a victim within the Suite 7000 premises.

The Government requires that a Fire Code Variance Appeal be filed for the "Fail Secure" system to be constructed at Suite 7000. The Government will be solely responsible for all claims, costs, damages, and liabilities that may arise due to the system or the Appeal (including without limitation, costs to repair or replace emergency egress doors damaged by firefighters.) In return, the Lessor grants permission for the Appeal to be filed and prosecuted.

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

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