

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

6-15-2010

LEASE NO.

GS-03B-09466

THIS LEASE, made and entered into this date by and between TERRACE VILLAGE PROPERTIES

whose address is ONE OXFORD CENTRE, 34TH FLOOR
301 GRANT STREET
PITTSBURGH, PA 15219-6401

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 consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

11,380 Rentable Square Feet yielding approximately 10,390 ANSI/BOMA Office Area square feet and related space located on the Ground Floor, at the Thorn Hill Industrial Park, 178 Thorn Hill Road, Warrendale, PA 15086-7528 together with eighteen (18) on-site secured parking spaces for the exclusive use of Government fleet vehicles, as well as forty-two (42) additional surface parking spaces for employees and visitors, as depicted on Exhibit B.

to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on (see Rider to Lease, Paragraph 13) through (see Rider to Lease, Paragraph 13), subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of (see Rider to Lease, Paragraph 13) at the rate of (see Rider to Lease, Paragraph 13) per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

TERRACE VILLAGE PROPERTIES
ONE OXFORD CENTRE, 34TH FLOOR
301 GRANT STREET
PITTSBURGH, PA 15219-6401

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) full year of occupancy by giving at least ninety (90) 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.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

plus accrued operating cost escalations

provided notice be given in writing to the Lessor at least three hundred sixty-five (365) days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.

B. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the Gross Commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]*. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. The Lessor agrees to pay the Commission less the Commission Credit, i.e., [REDACTED] (Net Commission), to the Broker in two (2) installments, fifty percent (50%) upon receipt of invoice following full lease execution, and the remaining fifty percent (50%) upon receipt of invoice following beneficial occupancy.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment of \$32,762.85 minus prorated Commission Credit (1/2) of [REDACTED] equals [REDACTED] adjusted First Month's Rent.*

Second Month's Rental Payment \$32,762.85 minus prorated Commission Credit (1/2) of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.*

Third (3rd) Month's Rental Payment shall commence in full.

*subject to adjustment upon determination of actual TI expenditure

7. The following are attached and made a part hereof:
- A. Rider to Lease No. GS-03B-09466
 - B. Solicitation for Offers # 8PA2165 dated August 12, 2009 (with Special Requirements)
 - C. SFO Amendment No. 1
 - D. SFO Amendment No. 2
 - E. GSA Form 3517, "General Clauses" version dated 06/08
 - F. GSA Form 3518, "Representations and Certifications" version dated 01/07
 - G. Floor Plan(s) Exhibit A
 - H. Parking Plan Exhibit B
 - I. Form B: Request for Sensitive But Unclassified Document dated 02/11/2010 (Incorporated by Reference)

8. The following changes were made in this lease prior to its execution: Not Applicable

This lease contains ~~110~~ pages
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IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR
TERRACE VILLAGE PROPERTIES

BY [REDACTED]

Stephen M. Papernick, Vice President
(Printed Name and Title)

IN P [REDACTED]

301 Grant Street, Ste 3400
Pittsburgh, PA 15219
(Address)

UNITED STATES OF AMERICA

GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY [REDACTED]

Contracting Officer
(Official title)

9. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to 38.6 percent of the total space available in the lessor's building, and will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in the Annual Real Estate Tax Escalation Clause. The percentage of occupancy is derived by dividing the total Government space of 11,380 rentable square feet by the total building space of 29,475 rentable square feet.

11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the annual base rate of \$4.75 per rentable square foot is acceptable. This figure includes the Government's pro-rata share of operating costs.

12. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the lessor shall notify the Contracting Officer, in writing, at least thirty (30) calendar days and no more than sixty (60) calendar days prior to the time the option must be exercised. In the event the lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

13. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within one hundred twenty (120) working days from the date of notice to proceed with the construction of the tenant improvements. When Lessor has completed all such

alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected. Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for ten (10) consecutive calendar years. The

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commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental 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:

Years 1 through 5:

Shell Rent: \$225,437.80 per year or \$19.81 per Rentable Square Foot [RSF];

Amortized annual cost for Tenant Improvement Allowance*:
\$113,686.20. per year;

Interest rate at which Tenant Alterations are amortized: seven percent (7%); and

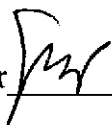
Annual Cost of Services: \$54,055.00 per year or \$4.75 per Rentable Square Foot, plus accrued escalations per SFO Paragraph 4.3, "Operating Costs".

Years 6 through 10:

Shell Rent \$225,437.80 per year or \$19.81 per Rentable Square Foot; and

Annual Cost of Services: \$54,055.00 per year or \$4.75 per Rentable Square Foot, plus accrued escalations per SFO Paragraph 4.3, "Operating Costs".

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$478,355.60 or \$46.04 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 7% amortization rate over the firm term of five (5) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 7% amortization rate.



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If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

14. In accordance with SFO Paragraph 3.4, "GSA Forms and Pricing Information" and SFO Paragraph 5.3, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is four percent (4%) of Total Construction costs.

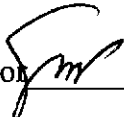
15. In accordance with SFO Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$25.00 per hour.

16. In accordance with SFO Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the lease, the rental rate for the vacated portion of the space will be reduced by \$1.89 per ANSI/BOMA Office Area square foot.

17. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so desired. In the event such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right of restoration waived.

18. Definitions:

- A. Where the word "Offeror" appears it shall be considered "Lessor"
- B. Where the word "should" appears it shall be considered to be "shall"
- C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"

Lessor  Government 