

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL LEASE
AGREEMENT No. 1

DATE
7-12-12

SUPPLEMENTAL LEASE AGREEMENT

TO LEASE No.

GS-03B-12002

ADDRESS OF PREMISES:

2.0 University Place
30 North 41st Street
Philadelphia, PA 19104-2201

THIS AGREEMENT is made and entered into this date by and between
University Place Associates, LLC

whose address is: 5429 Chestnut Street, Suite M114
Philadelphia, PA 19139-3325

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 (i) to provide for an expansion of 2,065 ANSI/BOMA Office Area Square Feet (ABOASF)/2,242 rentable square feet on the third floor, (ii) a corresponding increase in annual rental and the broker commission credit; (iii) a corresponding increase to the base cost of services figure subject to the operating cost escalation; (iv) a corresponding increase to the percentage of occupancy; (v) a corresponding increase in the tenant improvement allowance and to (v) to incorporate revised floor plans showing updated measurements of each of the leased floors based on updates to the base building drawings and the expansion.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective May 22, 2012 as follows:

A. Paragraph One (1) of the Standard Form 2 (SF-2) of the Lease is hereby deleted in its entirety and replaced with the Paragraph below:

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

A total of 55,288 Rentable Square Feet (RSF) (yielding approximately 50,226 ANSI BOMA Office Area Square Feet (ABOA)), consisting of 20,125 Rentable Square Feet (RSF) (yielding approximately 18,944 ANSI BOMA Office Area Square Feet (ABOA)) located on the entire 3rd floor; 20,468 Rentable Square Feet (RSF) (yielding approximately 18,078 ANSI BOMA Office Area Square Feet (ABOA)) located on the entire 2nd floor, and 14,695 Rentable Square Feet (RSF) (yielding approximately 13,204 ANSI BOMA Office Area Square Feet (ABOA)) located on the entire 1st floor, of the building to be constructed at 30 North 41st Street, Philadelphia, PA 19104-2201, together with 7 structured reserved parking spaces as depicted on the attached Exhibits A1-A3 and Exhibit B attached to the lease."

CONTINUED ON ATTACHED PAGE

ALL OTHER TERMS AND CONDITIONS OF THE LEASE SHALL REMAIN IN FULL FORCE AND EFFECT.
IN WITNESS WHEREOF, the part

LESSOR: University Place Assoc

IN THE PRESENCE OF (witnessed by): _____
(Name) (Address)

UNITED STATES OF AMERICA General Services Administration/North Service Center

BY _____

Contracting Officer, GSA
(Official Title)

B. Paragraph Ten (10) of the Rider to Lease GS-03B-12002 is hereby deleted in its entirety and replaced with the Paragraph below:

"10. The total percentage of space occupied by the Government under the terms of the lease is equal to 57.5329% 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 55,288 rentable square feet by the total building space of 96,098 rentable square feet."

C. Paragraph Eleven (11) of the Rider to Lease GS-03B-12002 is hereby deleted in its entirety and replaced with the Paragraph below:

"11. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$462,207.68 per year or \$8.36 per Rentable Square Foot (RSF), is acceptable. This figure includes the Government's pro-rata share of operating costs."

D. Paragraph Twelve (12) of the Rider to Lease GS-03B-12002 is hereby deleted in its entirety and replaced with the Paragraph below:

"12. 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 100 calendar 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 fifteen (15) consecutive calendar years. The 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:

The total annual rent of \$1,903,946.43 breaks down as follows:

Shell Rent: \$1,074,802.11 per year, or \$19.44 per RSF

Amortized annual cost for Building Specific Security: \$12,716.24 per year

Amortized annual cost for Tenant Improvement Allowance*: \$354,220.40 per year

Interest rate at which BSS and Tenant Alterations are amortized: 8.0%

Annual Cost of Services: \$462,207.68 per year or \$8.36 per RSF, plus accrued escalations per Paragraph 4.3, "Operating Costs."

Years 6 through 10:

The total annual rent of \$2,070,973.39 breaks down as follows:

Shell Rent: \$1,241,829.07 per year, or \$22.46 per Rentable Square Foot (RSF),

Amortized annual cost for Building Specific Security: \$12,716.24 per year

Amortized annual cost for Tenant Improvement Allowance*: \$354,220.40 per year

Interest rate at which BSS and Tenant Alterations are amortized: 8.0%

Annual Cost of Services: \$462,207.68 per year or \$8.36 per RSF, plus accrued escalations per Paragraph 4.3, "Operating Costs."

LESSOR  GOV'T 

Years 11 through 15:

The total annual rent of \$1,924,197.12 breaks down as follows:

Shell Rent: \$1,461,989.44 per year, or \$26.44 per Rentable Square Foot (RSF)

Annual Cost of Services: \$462,207.68 per year or \$8.36 per Rentable Square Foot (RSF), plus accrued escalations per Paragraph 4.3, "Operating Costs."

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$2,432,947.44 or \$48.44 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 8.0% amortization rate over the firm term of ten (10) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 8.0% amortization rate.

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.

In accordance with lease negotiations, the Government shall be entitled to abatement of rent during the first 12 full months of the lease term (inclusive of tenant improvement amortization, building specific security amortization, and operating costs). Additionally, a portion of the monthly shell rent shall be partially abated during the 13th, 14th, 15th, 16th and 17th months of the lease term, in equal monthly amounts of \$74,039.09, for a total amount of \$370,195.44, as more fully set forth in paragraph 6(B) of the SF-2."

E. Paragraph Six (6) of the Standard Form 2 (SF-2) of the Lease is hereby deleted in its entirety and replaced with the Paragraph below:

"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 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 in the amount of [redacted] 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. Prior to the execution of this Supplemental Lease Agreement (SLA) #1, Lessor has paid the Broker [redacted]. The balance of [redacted] shall be due to the broker within 30 days of execution of this SLA #1.

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 thirteenth (13th) month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Thirteenth (13th) Month's Shell Rental Payment of \$89,566.84 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Thirteenth (13th) Month's Shell Rent.

Fourteenth (14th) Month's Shell Rental Payment of \$89,566.84 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Fourteenth (14th) Month's Shell Rent.

Fifteenth (15th) Month's Shell Rental Payment \$89,566.84 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Fifteenth (15th) Month's Shell Rent.

Sixteenth (16th) Month's Shell Rental Payment of \$89,566.84 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Sixteenth (16th) Month's Shell Rent.

Seventeenth (17th) Month's Shell Rental Payment of \$89,566.84 minus prorated Commission Credit of [redacted] equals [redacted] Seventeenth (17th) Month's Shell Rent.

In accordance with lease negotiations, in addition to the abatement of rent from the Commission Credit, rent for the first 12 full months of the lease term (inclusive of tenant improvement amortization and operating costs) shall be abated in its entirety.

*subject to adjustment upon determination of actual TI expenditure"

LESSOR [Signature] GOV'T [Signature]

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F. Paragraph 7H of the Standard Form 2 is hereby amended to substitute the attached Exhibits A1 to A3, Floor plans.

G. Paragraph 7 of the Standard Form 2 is hereby amended to add the attached Exhibit Q "Square Footage Analysis."

LESSOR  GOV'T 