

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDING SERVICES SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT No. 4 Page 1 of 6 TO LEASE NO. GS-038-00614	DATE 2/16/2012
	4/27/11	

ADDRESS OF PREMISE Thomas Mason Building 105 Franklin Road SW Roanoke, VA 24011-2300	PEGASYS DOCUMENT NUMBER (PDN) PS0020167
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THIS AGREEMENT, made and entered into this date by and between 105 Franklin Associates whose address is C/O Falson & Associates, LLC 121 West Trade Street, 27th Floor, #7 Charlotte, NC 28202-5399 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 square footage, lease term, and annual rent.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective December 12, 2011, as follows:

A. Paragraph 1 of Standard Form 2 of the Lease is hereby deleted in its entirety and the following is substituted in lieu thereof:

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

4,194 Rentable Square Feet (RSF) yielding 3,628 ANSI/BOMA Office Area square feet (ABOA SF) of office and related space located on the second floor at the Thomas Mason Building, 105 Franklin Road SW, Roanoke, VA 24011-2300 together with four (4) reserved structured parking spaces to be used for such purposes as determined by the General Services Administration.

B. Paragraph 2 of Standard Form 2 of the Lease is hereby amended by deleting the existing text in its entirety and inserting the following in lieu thereof:

* 2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on December 12, 2011 through December 11, 2021, subject to termination and renewal rights as may be hereinafter set forth.

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

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

LESSOR:
105 FRANKLIN ASSOCIATES, a Virginia general partnership

By: Falson Enterprises, Inc.	By: Falson Enterprises, Inc.
By: [Redacted]	By: [Redacted]
Name: [Redacted]	Name: Henry J. Falson
Title: [Redacted]	Title: Chairman

IN TESTIMONY WHEREOF, I have hereunto set my hand and the seal of the said partnership at the City of Roanoke, Virginia, this 16th day of February, 2012.

Address:
105 Franklin Associates, c/o Falson & Associates, 121 West Trade Street, 27th Floor, Charlotte, NC 28202

UNITED STATES OF AMERICA - General Services Administration, Public Building Service

[Redacted Signature]

Contracting Officer
(Official Title)

JT

TO LEASE NO. GS-03B-00314

C. Paragraph 3 of Standard Form 2 of the Lease is hereby amended by deleting the existing text in its entirety and inserting the following in lieu thereof:

*3. The Government shall pay the Lessor annual rent as established in the table below, monthly, in arrears, as follows:

Date	Annual Cost	Monthly
December 15, 2011 - December 14, 2012	\$ 26,720.00	\$ 2,226.67
December 15, 2012 - December 14, 2013	\$ 26,720.00	\$ 2,226.67
December 15, 2013 - December 14, 2014	\$ 26,720.00	\$ 2,226.67
December 15, 2014 - December 14, 2015	\$ 26,720.00	\$ 2,226.67
December 15, 2015 - December 14, 2016	\$ 26,720.00	\$ 2,226.67
December 15, 2016 - December 14, 2017	\$ 26,720.00	\$ 2,226.67
December 15, 2017 - December 14, 2018	\$ 26,720.00	\$ 2,226.67
December 15, 2018 - December 14, 2019	\$ 26,720.00	\$ 2,226.67
December 15, 2019 - December 14, 2020	\$ 26,720.00	\$ 2,226.67
December 15, 2020 - December 14, 2021	\$ 26,720.00	\$ 2,226.67

Rent for a lesser period shall be prorated. Rental payments shall be made to:

Poe & Cronk Real Estate
10 S Jefferson St - Suite 1200
Roanoke, VA 24011-1300

D. Paragraph 9 of the Rider to the Lease is hereby deleted in its entirety and the following is substituted in lieu thereof:

The total percentage of space occupied by the Government under the terms of the lease is equal to 14.2% 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 4,194 rentable square feet by the total building space of 29,530 rentable square feet.

E. Paragraph 10 of the Lease Rider is hereby amended by deleting the existing text in its entirety and inserting the following in lieu thereof:

For purposes of determining the base rate for future adjustments to the operating cost the Government agrees that the base rate quoted on the "Lessor's Annual Cost Statement", (GSA Form 121 7) dated, which is \$17,782.66 a year, is acceptable. This figure includes the Government's pro-rata share of operating costs. The Government retains the right to inspect and review the Lessor's records to verify the costs listed on the GSA Form 121 7 and/or to require a certified audit report. The basis for annual operating costs escalations will be the revised U.S. All Cities Average Consumer Price Index for Wage Earners and Clerical Workers.

F. Paragraph 11 of the Lease Rider is hereby amended by deleting the existing text in its entirety and inserting the following in lieu thereof:

Rental shall be paid in accordance with clauses 23 and 24 of the General Clauses, GSA Form 3517, entitled "Prompt Payment" and "Electronic Funds Transfer Payment," based on the following schedule:

Initials: JA & EH
Lessor & Gov't

TO LEASE NO. GS-03B-09314

Period	Basic Cost	Operating Cost	TI Costs	Residual	Annual Cost	Monthly
December 01, 2007 - December 31, 2007	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2008 - December 31, 2008	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2009 - December 31, 2009	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2010 - December 31, 2010	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2011 - December 31, 2011	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2012 - December 31, 2012	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2013 - December 31, 2013	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2014 - December 31, 2014	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2015 - December 31, 2015	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2016 - December 31, 2016	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2017 - December 31, 2017	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2018 - December 31, 2018	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2019 - December 31, 2019	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2020 - December 31, 2020	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2021 - December 31, 2021	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2022 - December 31, 2022	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2023 - December 31, 2023	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2024 - December 31, 2024	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2025 - December 31, 2025	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2026 - December 31, 2026	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2027 - December 31, 2027	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2028 - December 31, 2028	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2029 - December 31, 2029	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667
December 01, 2030 - December 31, 2030	\$2,100,000	\$1,100,000	\$1,000,000	\$1,000,000	\$3,200,000	\$266,667

*Annual Cost of Services is adjusted each year in accordance with Lease Paragraph 4.3 entitled 'Operating Costs (Aug 2008).

~~*Operating Costs are based on Lease Paragraph 4.5 "Normal Hours" specified in SFO Amendment #3 of the lease.~~ *EH*

- I. The parties agree that the actual amount of tenant improvements (TI) spent for construction was \$496,518.62. The cost of the construction and installation of the tenant improvements to the leased premises above the base building shell includes the following: the cost of all alterations outlined in the design intent drawings and construction drawings for the interior office space, the preparation of the construction drawings, all approved Change Orders, and construction administration. Of that amount, (1) \$101,889.13 will be amortized over the 5-year firm term period of the lease contract at an interest rate of 6%. The tenant improvement allowance will be fully paid at completion of Year 5 of the lease and shall be eliminated from the Gross Annual Rental for Years 6 through 10 of the lease and, (2) the balance of \$393,627.49 to be paid via a one-time lump sum payment. All lump sum payments shall be paid upon inspection and acceptance by the Government of the said alterations. Any changes to Tenant Improvements pricing and all change orders must be approved in writing by the Contracting Officer.
- II. Upon completion of the work, please notify Meghan Kang at 215.448.2857 to arrange for inspection. After inspection and acceptance of such work by the Government, an advanced faxed copy of the invoice must be sent to GSA at 215.209.0535 for review and approval. Upon approval by the Contracting Officer, the Lessor must submit the properly executed invoice directly to the GSA Finance Office electronically at:

<http://www.finance.gsa.gov>

- OR -

a properly executed original invoice shall be forwarded to:

General Services Administration
 Greater Southwest Region (7BCP)
 P.O. Box 17181
 Fort Worth, TX 76102-0181

If invoicing either electronically or by mail, a copy of the invoice must also be mailed to the Contracting Officer at:

GSA, Public Buildings Service
 Real Estate Acquisition Division (3PRSR)
 20 North Eighth Street, 8th Floor
 Philadelphia, PA 19107-3191
 Attn: Erin Hoke

Initials:

TH & *EH*
 Lessor Gov't

TO LEASE NO. GS-03B-08314

For an invoice to be considered proper, it must:

- Be received after the execution of this SLA;
- Reference the Pegasys Document Number (PDN) specified on this form (PS0020167) Lease Contract Number, and SLA Number;
- Include a unique, vendor-supplied, invoice number (and invoice date);
- Indicate the exact payment amount requested with cost and description of work completed; and,
- Specify the payee's name and address. (The payee's name and address must EXACTLY match the Legal Business Name or DBA associated with it in Central Contractor Registration (CCR)).

Payment will be due within thirty (30) days after GSA's designated billing office receives a properly executed invoice or acceptance of the work by the Government, whichever is later.

- G. Paragraph 1.3 "Lease Term (SEPT 2000)" of the Lease is hereby amended by deleting the existing text in its entirety and inserting the following in lieu thereof:

The lease term is for ten (10) years, five (5) year firm term. The Government may terminate this lease in whole or in part effective at any time after the fifth full year of occupancy by giving at least thirty (30) 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.

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Initials:

 &
Lessor Govt