

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL LEASE AGREEMENT (SLA) No. 3	DATE MAY 30 2012
	TO LEASE NO. GS-03B-09305	
ADDRESS OF PREMISE Liberty at Hunters Green II, Suite #200 11841 Newgate Boulevard Hagerstown, MD 21740-6994	PDN Number: N/A	

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

Liberty Property Limited Partnership

whose address is: 500 Chesterfield Pkwy
Malvern, PA 19355-8707

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 change the Lease from a fully serviced Lease to net of electric, and adjust the annual rental accordingly.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective July 1, 2012 as follows:

A. This Supplemental Lease Agreement (SLA) is being executed in order to document the changes to the Lease contract as a result of the Government's requirement to change the Lease from a fully serviced lease to net of electric. The Government agrees to contract directly with the respective utility company and pay all usage charges directly to the said utility company. This change is for the physical power usage only. The Lessor shall remain responsible for all electrical system maintenance, repair/replacement and any/all other duties required by the Lease contract. The parties agree to reduce the annual rental associated with the operating expenses by \$199,669.87.

B. Paragraph 3 of the Standard Form 2 of the Lease is hereby deleted in its entirety and replaced with the following:

"3. The Government shall pay the Lessor annual rent of \$2,575,944.29 at the rate of \$214,662.02 per month in arrears. Operating Costs are subject to revision annually based on CPI adjustments. Rent for a lesser period will be prorated. Payment shall be made electronically to : Liberty Property Limited Partnership, 500 Chesterfield Parkway, Malvern, PA 19355-8707."

This Supplemental Lease Agreement contains **3 pages**.

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

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

PARTNERSHIP SIGNATURE [Redacted] <i>TB</i>		NAME AND TITLE OF SIGNER <i>ROBERT L. KIEL Senior Vice President</i>
ADDRESS <i>17441 Brind St # 530 Bethlehem PA 18018</i>		
IN PRESENCE OF SIGNATURE [Redacted]		NAME OF SIGNER <i>TROY BRIGGS</i>
UNITED STATES OF AMERICA, REAL ESTATE ACQUISITION DIVISION, SOUTH BRANCH SIGNATURE [Redacted]		NAME OF SIGNER <i>Dominic A. Innaurato</i>
		OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

C. Paragraph 5 of the Standard Form 2 of the Lease is hereby deleted in its entirety and replaced with the following:

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

Two renewal options of five years each. The rate for the first renewal option is \$7.6718299 per ANSI/BOMA usable foot of office, warehouse and related space, \$3,057,469.73 per annum, plus accrued escalations per SFO Paragraph 3.2 Tax Adjustment and SFO Paragraph 3.4 Operating Costs. The rate for the second renewal option is \$8.6758647 per ANSI/BOMA usable square foot of office, warehouse and related space, \$3,457,609.73 per annum, plus accrued escalations per SFO Paragraph 3.2 Tax Adjustment and SFO Paragraph 3.4 Operating Costs. Provided notice must be given in writing to the Lessor at least 90 calendar 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 with the day after the date of mailing."

D. Paragraph 6 of the Standard Form 2 of the Lease is hereby deleted in its entirety and replaced with the following:

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

Those tenant improvements, facilities, services, utilities (net of electric), maintenance, operations and other considerations as set forth in this Lease. Column spacing shall be a minimum of 33' x 53' clear in the warehouse space. This lease contains 120 pages."

E. Paragraph 10 of the Standard Form 2 of the Lease is hereby deleted in its entirety and replaced with the following:

"10. For purposes of determining the base rate for future adjustments to the operating cost, the operating cost base rate, subject to future adjustments, beginning October 19, 2012, is hereby changed from \$502,240.00 to \$331,959.88. This figure includes the Government's pro-rata share of all operating costs. The Government retains the right to inspect and review the Lessor's records to verify the costs listed within the GSA Form 1217 (net of Line C11 for electrical power), and/or 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.

The Lessor and Government hereby agree that operating cost adjustments completed prior to the effective date of this SLA shall be unaffected by this modification of the base rate for future adjustments to the operating costs. The operating cost base rate of \$331,959.88, as specified above, shall apply only to future adjustments to the operating costs, in accordance with the terms and conditions of the Lease, beginning October 19, 2012."

F. Paragraph 13 of the Standard Form 2 of the Lease is hereby deleted in its entirety. The Government is responsible for paying the electrical usage costs directly to the respective utility company and therefore not required to request overtime HVAC through the Lessor.

G. Paragraph 15 of the Standard Form 2 of the Lease is hereby deleted in its entirety and replaced with the following:

"15. Rental shall be paid in accordance with, but not limited to, SFO Paragraph 3.7 of the Lease, "ANSI/BOMA Office Area Square Feet" and Clause No. 27 of the General Clauses (GSA Form 3517) in the amounts identified below:

For the period beginning July 1, 2012 through October 18, 2019, the annual rental breakdown is as follows:

Shell Rent	\$2,069,729.10 (approximately \$5.1933824 per ANSI/BOMA Office Area Square Feet)
TI Rent	\$ 174,255.31 (approximately \$0.4372429 per ANSI/BOMA Office Area Square Feet)
Operating Rent	\$ 331,959.88 (approximately \$0.8329566 per ANSI/BOMA Office Area Square Feet)
Total Rent	\$2,575,944.29 (approximately \$6.4635820 per ANSI/BOMA Office Area Square Feet)

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H. Paragraph 7.4 of the SFO of Lease is hereby deleted in its entirety and replaced with the following:

"7.4 UTILITIES.

- A. The Lessor shall ensure that utilities necessary for operation are provided and that all associated costs are included as part of the established rental rate.
- B. The Lessor and Government agree the utility charges for electric are excluded from the rental consideration. The Lessor shall obtain a statement from a registered professional engineer stating that all HVAC, plumbing, and other energy-intensive building systems can operate under the control conditions stated in this SFO.
- C. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Submeters are not acceptable. The Lessor shall furnish in writing to the Contracting Officer, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.
- D. The Offeror shall submit a building operating plan with the offer. Such plan shall include a schedule of startup and shutdown times for operation of each building system, such as lighting, HVAC, and plumbing.

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