

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

2-8-2010

LEASE NO.

GS-03B-09429

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

WANAMAKER OFFICE LEASE, LP

whose address is
210 Rittenhouse Square, Suite 1900
Philadelphia, PA 19103

and whose interest in the property hereinafter described is that of

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:

A total of 29,593 ANSI/BOMA office area square feet (BOASF)/ (39,004 rentable square feet (RSF)) consisting of a portion of the 5th floor of office and related space (as shown on the attached floor plan labeled Exhibit "A") at the building known as The Wanamaker Building, located at 100 Penn Square East, Philadelphia, PA 19107-3396 to be used for such purposes as determined by the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on see Rider Paragraph 16 through see Rider Paragraph 16, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ see Rider Paragraph 16 at the rate of \$ see Rider Paragraph 16 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to: WANAMAKER OFFICE LEASE, LP; 210 Rittenhouse Square, Suite 1900, Philadelphia, PA 19103, or in accordance with the provision on electronic payment of funds.

4. The Government may terminate this lease in whole or in part at any time after year ten (10) of the lease 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:

See Rider Paragraph 17

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
- a. All alterations and installations in accordance with the Design Intent Drawings to be provided by the Government.
 - b. The Lessor shall provide construction drawings as part of the rental consideration;
 - c. All How to Offer and Submittal requirements outlined in the attached Section 3;
 - d. All utilities, services, and lease administration requirements outlined in the attached Section 4;
 - e. All general architectural requirements outlined in the attached Section 6;
 - f. All architectural finishes requirements outlined in the attached Section 7;
 - g. All mechanical, electrical and plumbing requirements outlined in the attached Section 8;
 - h. All fire protection, life safety and environmental management requirements outlined in the attached Section 9 ; and
 - i. All lease security standards requirements outlined in the attached Section 10.

7. The following are attached and made a part hereof:
- a. Standard Form 2 – U.S. Government Lease for Real Property
 - b. Rider Paragraphs 9-24
 - c. Section 1, Summary Paragraphs 1.2-1.3, 1.5-1.12
 - d. Section 2, Award Factors and Price Evaluation, Paragraphs 2.1-2.3, 2.5
 - e. Section 3, How to Offer and Submittal Requirements, Paragraphs 3.2-3.7
 - f. Section 4, Utilities, Services, and Lease Administration, Paragraphs 4.1-4.15
 - g. Section 5, Design, Construction, and Post Award Activities, Paragraphs 5.1-5.14
 - h. Section 6, General Architecture, Paragraphs 6.1-6.12
 - i. Section 7, Architectural Finishes, Paragraphs 7.1-7.14
 - j. Section 8, Mechanical, Electrical, Plumbing, Paragraphs 8.1-8.19
 - k. Section 9, Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1-9.11
 - l. Section 10, Lease Security Standards, 10.1-10.16
 - m. GSA Form 3517B – General Clauses
 - n. GSA Form 3518 – Representations and Certifications
 - o. Small Business Subcontracting Plan
 - p. Floor Plan (Exhibit A), and Parking Plan (Exhibit B)

8. The following changes were made in this lease prior to its execution:
 SFO SPA0254 sections 1.1, 1.4, 1.8, 2.4, 3.1, 3.4 , 3.5A, 3.6A have been deleted.

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

LESSOR [Redacted] Limited Partnership

BY

[Redacted Signature]

Vice President
 (Signature)

IN

[Redacted Address]

1580 Dallas Pkwy, Ste 600, Addison, TX 75001
 (Address)

UNITED STATES OF AMERICA
 Center

GENERAL SERVICES ADMINISTRATION/Real Estate Acquisition Branch/North Service

BY

[Redacted Signature]

Contracting Officer
 (Official title)

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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 Government shall be entitled to use of on-site reserved parking spaces for a total of four (4) vehicles, as illustrated on the site plan labeled Exhibit "B", attached hereto and made a part hereof. The cost of these parking spaces is included in the shell rental rate and the shell rate is not subject to any parking rates increases. The Lessor shall provide the tenant agency with the appropriate number of access cards for the garage.

11. In accordance with Paragraph 1.2 of Section 1 of this lease, the Government shall have the right to occupy a total of 4,897 RSF of "swing space" located on the 5th floor. The swing space consists of a 3,511 RSF suite (identified as "Swing A" on the Exhibit A floorplan), and a 1,386 RSF suite (identified as "Swing B" on the Exhibit A floorplan). The Lessor will provide the space in "as-is" condition. The Government shall have the right to use this swing space free of any additional rental consideration, as follows:

* "Swing A" space until May 31, 2010,

* "Swing B" space until ~~November 30, 2010.~~

- February 28, 2010 

12. The total percentage of space occupied by the Government under the terms of the lease is equal to 4.0659% 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 39,004 rentable square feet by the total building space of 959,294 rentable square feet.

13. Upon acceptance of the space covered by this lease, the Government hereby relinquishes the block of space outlined on the Exhibit A floorplan labeled, "Relinquished" attached to this lease. Prior to the commencement date of this lease, the Government can continue to use the block of space. The Government will responsible for the removal of all personal property and equipment and leave the space in broom clean condition.

The Lessor will be responsible for all shell costs relating to the construction of the demising walls to create the block of space outlined as "relinquished".

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14. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$6.36 per rentable square foot, is acceptable. This figure includes the Government's pro-rata share of operating costs.

15. 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, 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.

16. 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 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 10 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:

Shell Rent: \$436,454.76 per year or \$11.19 per Rentable Square Foot (RSF).

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Building Specific Security: \$9,360.96 per year or \$0.24 per rentable square foot

Amortized annual cost for Tenant Improvement Allowance*: \$86,198.84 per year

Interest rate at which Tenant Alterations are amortized: 8%

Annual Cost of Services: \$248,065.44 per year or \$6.36 per Rentable Square Foot (RSF), plus accrued escalations per Paragraph 4.3, "Operating Costs"

Years 6 through 10:

Shell Rent \$514,462.76 per year or \$13.19 per Rentable Square Foot (RSF),

Building Specific Security: \$9,360.96 or \$0.24 per rentable square foot

Amortized annual cost for Tenant Improvement Allowance*: \$86,198.84 per year,

Annual Cost of Services: \$248,065.44 per year or \$6.36 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 \$591,860.00 or \$20.00 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 8.0% amortization rate over the firm term of 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

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acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

17. This lease may be renewed at the option of the Government, for a five (5) year term and at the following rentals:

Years 11 through 15:

Shell Rent \$688,030.56 per year or \$17.64 per Rentable Square foot

Annual Cost of Services: \$248,065.44 per year or \$6.36 per Rentable Square foot, plus accrued escalations,

commencing in the second year of the renewal term; the base index shall be the month prior to the commencement date of the renewal term; the base cost of services shall be \$6.36/RSF plus the operating cost escalations provided for in this lease through and including the first year of the renewal term provided notice be given in writing to the Lessor at least 90 days before the end of the original lease 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.

18. The Government may terminate this lease at any time, in whole or in part, effective after the tenth (10th) full year of occupancy upon 90 calendar days written notice to the lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

19. Free Rent and Brokerage Commission:

In accordance with paragraph 2.3, "Broker Commission and Commission Credit" section of the SFO, Studley, Inc. is the authorized real estate broker

representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is

[REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, Studley 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].

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The Lessor agrees to pay Studley, Inc., 555 13th Street, Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the amount of [REDACTED] within 30 days following execution of this lease by the Government.

The shell rental portion of the annual rental payments (\$11.19 per RSF x 39,004 RSF = \$436,454,76 or \$36,371.23 per month) due and owing under Paragraph 16 of this lease rider shall be reduced to fully recapture the Commission Credit. The total reduction in shell rent related to the commission credit is [REDACTED] and shall be deducted from the first five (5) months of the rental payments as indicated in the following schedule of adjusted Monthly Rent:

- First Month's Rental Payment of \$65,006.667 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted First Month's Rent.

-Second Month's Rental Payment of \$65,006.667 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted Second Month's Rent.

-Third Month's Rental Payment of \$65,006.667 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted Third Month's Rent.

-Fourth Month's Rental Payment of \$65,006.667 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted Fourth Month's Rent.

-Fifth Month's Rental Payment of \$65,006.667 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted Fifth Month's Rent.

20. In accordance with Paragraph 5.2 "Tenant Improvement Pricing Requirements" and Paragraph 3.2B, "Tenant Improvements Included In Offer" of the Lease, the Lessor's Tenant Improvement Fees are established as follows:

1) General Conditions charged by the Lessor's General Contractor for Tenant Improvements requested by the Government is 9.0% of Total Subcontractors' costs.

2) General Contractor's fee charged by the Lessor for Tenant Improvements requested by the Government is 6.0% of Total Subcontractors' costs.

3) Architectural/engineering fees charged by the Lessor for Tenant Improvements are \$0.00 per ABOA.

Lessor [Signature] Government [Signature]

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4) Project Management fees charged by the Lessor for Tenant Improvements requested by the Government is 5.0% of Total Tenant Improvement Construction Costs.

21. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$75.00 per hour.

22. In accordance with 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 \$1.95 per ANSI/BOMA Office Area square foot.

23. 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.

24. 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"

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