

US GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

4-1-2010

LEASE NO. GS-03B-09446  
Building No.

THIS LEASE, made and entered into this date by and between **Center Valley Parkway Associates, L.P.**

whose address is **c/o Franklin Realty Development Corp.  
405 Old Penllyn Pike, Suite 200  
Penllyn, PA 19422**

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 considerations hereinafter mentioned, covenant and agree as follows:

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

Approximately 4,425 ANSI/BOMA Office Area square feet or 5,088 rentable square feet of office space located on the first floor together with twenty (20) on-site parking space at:

**Saucon Valley Plaza  
3477 Corporate Parkway  
Center Valley, Pennsylvania 18034**

To be used for as may be determined by the General Services Administration (GSA)

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

See Rider Paragraph 13 through See Rider 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 Paragraph 13  
At the rate of \$ See Rider Paragraph 13 per See Rider Paragraph 13 in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

**Center Valley Parkway Associates, L.P.  
c/o Franklin Realty Development Corp.  
405 Old Penllyn Pike, Suite 200  
Penllyn, PA 19422**

4. The Government may terminate this lease at any time after the 5<sup>th</sup> full year by giving at least 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:

[REDACTED]

provided notice be given in writing to the Lessor at least 90 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 set forth in this lease.
- B. All labor, materials and supervision necessary to perform the work required by this lease.
- C. This lease contains 102 pages.

7. The following are attached and made a part hereof:

- A. Rider to Lease GS-03B-LPA09446 (7 Pages)
- B. Solicitation for Offers (SFO) Number 9PA2045 (48 Pages)
- C. SFO Amendment Number 1, 2 and 3 (1 page each)
- D. General Clauses (GSA Form 3517B) (34 Pages)
- E. Representations and Certifications (GSA Form 3518) (7 Pages)
- F. Exhibit "A" plan of existing space (1 Page)

IN W \_\_\_\_\_ subscribed their names as of the date first above written.

LES

BY \_\_\_\_\_

2/22/10

(Signature)

IN \_\_\_\_\_

(Address)

U \_\_\_\_\_

S ADMINISTRATION

BY \_\_\_\_\_

CONTRACTING OFFICER

(Official title)

STANDARD FORM  
FEBRUARY 1965 EDITION

SCANNED

8. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the first five years 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 [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 Commission less the Commission Credit is [REDACTED].

Notwithstanding Paragraph 3 of the 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 \$13,780.00 (of which \$9,005.83 is shell rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Shell Rent

Second Month's Rental Payment \$13,780.00 (of which \$9,005.83 is shell rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Shell Rent

Third Month's Rental Payment \$13,780.00 (of which \$9,005.83 is shell rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Shell Rent

Fourth Month's Rental Payment of \$13,780.00 shall commence in full.

9. In no event shall the lessor enter into negotiations concerning the leased premises with representatives of Federal agencies other than Contracting

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RIDER TO LEASE GS-03B-09446

Officers and their designated representatives of the General Services Administration. All change orders shall be ordered by a GSA Contractor.

**10.** The total percentage of space occupied by the Government under the terms of the lease is equal 6.126% 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 Paragraph 4.2 of the lease. The percentage of occupancy is derived by dividing the total Government space of 5,088 rentable square feet by the total building space of 83,056 rentable square feet.

**11.** Common Area Factor: The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet to determine the rentable square feet is 14.9830508%.

**12.** For purposes of determining the base rate for future adjustments to the operating cost (Paragraph 4.3 of the lease) the Government agrees that the base rate which is \$6.24 per ANSI/BOMA Office Area square foot (\$27,627.84 annually) 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 1217 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.

**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 90 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, with the Government

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having termination rights in whole or in part at any time effective after the fifth full year of occupancy. The Government must give the Lessor ninety (90) calendar days' written notification prior to any lease termination.

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:**

A total annual rent of \$165,360.00 (\$37.37 per ANSI/BOMA Office Area Square Foot), plus accrued escalations, payable at the rate of \$13,780.00 per month in arrears, consisting of:

**Shell Rent:** \$108,070.00 (\$24.42 per ANSI/BOMA Office Area Square Foot)

**Amortized annual cost for Tenant Improvement Allowance:**  
\$29,663.00 per year

In accordance with lease negotiations, the Tenant Improvement rate stated above reflects an interest rate of 8.00% over a 120 month period, which exceeds the firm term of the lease. Should the Government exercise its termination rights, the Government shall have no obligation to pay the Lessor any remaining balance for the Tenant Improvement rent beyond the firm term of the lease.

**Interest Rate** at which Tenant Alterations are amortized: 8.00%.

**Annual Cost of Services:** \$27,627.00 (\$6.24 per ANSI/BOMA Office Area Square Foot) plus accrued escalations per Paragraph 4.3, "Operating Costs", notwithstanding the rent abatement for months one, two and three of year one of the lease as set forth in Paragraph 8 above.

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**Years 6 through 10:**

A total annual rent of \$185,712.00 (\$41.97 per ANSI/BOMA Office Area Square Foot), plus accrued escalations, payable at the rate of \$15,476.00 per month in arrears, consisting of:

**Shell Rent:** \$128,422.00 (\$29.02 per ANSI/BOMA Office Area Square Foot)

**Amortized annual cost for Tenant Improvement Allowance:**  
\$29,663.00 per year

In accordance with lease negotiations, the Tenant Improvement rate stated above reflects an interest rate of 8.00% over a 120 month period, which exceeds the firm term of the lease. Should the Government exercise its termination rights, the Government shall have no obligation to pay the Lessor any remaining balance for the Tenant Improvement rent beyond the firm term of the lease.

**Annual Cost of Services:** \$27,627.00 (\$6.24 per ANSI/BOMA Office Area Square Foot), 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 \$203,771.25 or \$46.05 per ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 8.00% amortization rate over the 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 8.00% 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.

14. In accordance with Paragraph 3.4 "GSA Forms and Pricing Information", 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 5% of Total Subcontractors' costs.
- 2) General Contractor's fee charged by the Lessor for Tenant Improvements requested by the Government is 10% of Total Subcontractors' costs.
- 3) Architectural/engineering fees charged by the Lessor for Tenant Improvements are \$3.00 per ABOA.
- 4) Project Management fees charged by the Lessor for Tenant Improvements requested by the Government is 2% of Total Tenant Improvement Construction Costs.

~~In accordance with Paragraph 3.4 "GSA Forms and Pricing Information", the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is 15% of Total Construction costs.~~

*See  
HOR*

15. 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.

16. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to, repairs, alterations, or overtime services, nor will any rental be paid for occupancy in whole or in part except for the

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Lease term specified herein, unless approved in advance and in writing by an authorized official of the General Services Administration.

**17.** If, during the term of this Lease including extensions, title of this property is transferred to another party either by sale, foreclosure, condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany this notification:

- a. A certified copy of the deed transferring title to the property from the Lessor to the new owner.
- b. A letter from the new owner assuming, approving and agreeing to be bound by the terms of this Lease.
- c. A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of the transfer.
- d. The new owner's employer identification number or Social Security number.
- e. The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all partners fully. If a limited partnership, list all general partners and identify under the laws of which state the limited partnership is created. If a realty trust, give names of all trustees and recording date of the trust.

The foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of transfer, will be processed to the Lessor. Initial rental payment to the new owner will be processed on the first day of the second month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of the month (or later) in which the transfer of title will be affected, the full contract rental for that month will be forwarded to the Lessor. In this instance, it will be the responsibility of both the Lessor and the new owner to submit, in conjunction with other requested information, a letter of agreement regarding disposition of the monthly rent with respect to the effective date of transfer. In any instance, failure to submit the documentation required for transfer of title will result in a

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stop payment of rent until such time as the Contracting Officer receives all documentation.

**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"

**19. Adjustment for Vacant Premises:** Pursuant to Paragraph 4.4 of the lease, the adjustment for vacant premises rate shall be \$2.00 per ANSI/BOMA office area square foot.

**20.** In accordance with Paragraph 4.6 of the lease, the additional cost to the Government for overtime use of Government leased space shall not exceed \$35.00 per hour.

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