

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDING SERVICES SUPPLEMENTAL LEASE AGREEMENT</b>	SUPPLEMENTAL AGREEMENT NO. 1	DATE 9/7/11
		TO LEASE NO. GS-03B-09466
ADDRESS OF PREMISE Thorn Hill Industrial Park 178 Thorn Hill Road Warrendale, PA 15086-7528	PEGASYS DOCUMENT NUMBER (PDN)	

THIS AGREEMENT, made and entered into this date by and between TERRACE VILLAGE PROPERTIES whose address is ONE OXFORD CENTRE, 34<sup>TH</sup> FLOOR 301 GRANT STREET PITTSBURGH, PA 15219-6401 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 lease effective date and adjust rent rates due to underutilization of Tenant Improvement Allowance

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective July 11, 2011, as follows:

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

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

11,380 Rentable Square Feet yielding 9,978 ANS/BOMA Office Area (ABOA) square feet and related space located on the Ground Floor at the Thorn Hill Industrial Park, 178 Thorn Hill Road, Warrendale, PA 15086-7528, together with eighteen (18) on-site secured and reserved parking spaces for the exclusive use of Government fleet vehicles, as well as forty-two (42) additional non-reserved surface parking spaces for employees and visitors, as depicted on Exhibit B. (See Attachment B for GSA scaling of premises.)"

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

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on July 11, 2011 through July 10, 2021, subject to termination and renewal rights as may be hereinafter set forth."

This Supplemental Lease Agreement contains 5 pages (with Attachments A and B).

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: TERRACE VILLAGE BY: ALPS Properties BY: JASAR Corp. BY _____ (Signature)	Vice President (Title) 301 Grant St., Ste 3400 Pittsburgh PA 15209 (Address)
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United States of America, General Services Administration, Public Buildings Service

BY _____ (Signature)	Contracting Officer (Official Title)
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Initials: SY & BK  
 Lessor Government

## SUPPLEMENTAL LEASE AGREEMENT

NO. 1

TO LEASE NO. GS-03B-09466

C.. Subparagraph 6.B of the Lease (Standard Form 2) is hereby deleted in its entirety and replaced with following:

"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 Gross 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 Gross Commission less the Commission Credit, i.e., [REDACTED] (Net Commission), to the Broker in two (2) installments, fifty percent (50%) upon receipt of invoice following full lease execution, and the remaining fifty percent (50%) upon receipt of invoice following beneficial occupancy.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully capture this Commission Credit. The reduction in shell rental 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 of \$32,445.76 minus prorated Commission Credit (1/2) of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$32,445.76 minus prorated Commission Credit (1/2) of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Full monthly rental payment of \$32,445.76 will ensue with Third Month's Rental Payment since Commission Credit will have been fully captured."

D. Paragraph 13 of the Lease (Standard Form 2, Rider to Lease GS-03B-09466) is hereby deleted in its entirety and replaced with the following:

"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 one hundred twenty (120) 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. 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 the Space', and Paragraph 27 of General Clauses, GSA Form 3517, 'Payment', at the rate of:

**Years 1 through 5:**

**Shell Rental:** \$225,437.80 per year or \$19.81 per Rentable Square Foot (RSF);

**Amortized Annual Cost for Tenant Improvement Allowance\*:** \$109,856.31 per year;

**Interest Rate at which Tenant Alterations are amortized:** seven percent (7%); and,

**Annual Cost of Services:** \$54,055.00 per year or \$4.75 per Rentable Square Foot (RSF), plus accrued escalations per SFO Paragraph 4.3, 'Operating Costs'.

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**Years 6 through 10:**

**Shell Rental:** \$225,437.80 per year or \$19.81 per Rentable Square Foot (RSF); and,

**Annual Cost of Services:** \$54,055.00 per year or \$4.75 per Rentable Square Foot (RSF), plus accrued escalations per SFO Paragraph 4.3, 'Operating Costs'.

"The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$478,355.60 or \$46.04 per ANSI/BOMA Office Area (ABOA) square foot, which is included in the rent using the 7% amortization rate over the firm term of five (5) years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 7% 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; or, (3) increase the rent according to the negotiated amortization rate over the firm term of the lease."

Initials:

SJ  
Lessor

&

BL  
Government