



GENERAL SERVICES ADMINISTRATION PUBLIC BUILDING SERVICES SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT NO. 1	DATE
	TO LEASE NO. GS-03B-09474	
ADDRESS OF PREMISE Curtis Center (6 th Floor) 170 South Independence Mall West Philadelphia, PA 19106-3323	PEGASYS DOCUMENT NUMBER (PDN)	

THIS AGREEMENT, made and entered into this date by and between CURTIS PARTNERS, LP
 whose address is 600 CHESTNUT ST STE 1027
 PHILADELPHIA, PA 19106-3304

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 memorialize rollback of square footage to original occupancy per GSA Lease No. GS-03B-08310 and to establish lump-sum lease buyout amount for relinquished space.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective September 9, 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:

17,262 Rentable Square Feet (RSF) yielding approximately 14,766 ANSI/BOMA Office Area (ABOA) square feet and related space located on the Sixth (6th) Floor at the Curtis Center, 170 South Independence Mall West, Philadelphia, PA 19106-3323, together with two (2) structured and reserved parking spaces as depicted on attached floor plans (Exhibit A, paragraph 7.E), to be used for such purposes as determined by the General Services Administration."

B. Paragraph 5 of the Lease (Standard Form 2) 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: [REDACTED]

[REDACTED], plus accrued operating cost escalations, provided notice be given in writing to the Lessor at least one hundred twenty (120) 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."

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 subscribed their names as of the above date.

Lessor:

BY _____

Authorized Signatory

 (Title)

 (Address)

 Administration, Public Buildings Service

 Contracting Officer
 (Official Title)

Initials: *[Signature]* & *[Signature]*
 Lessor & Government

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

"D. 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 \$34,206.82 minus prorated Commission Credit (1/3) of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$34,206.82 minus prorated Commission Credit (1/3) of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment of \$34,206.82 minus prorated Commission Credit (1/3) of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

Full monthly rental payment of \$34,206.82 will ensue with Fourth Month's Rental Payment since Commission Credit will have been fully captured."

D. Paragraph 9 of the Lease (Standard Form 2) is hereby deleted in its entirety and replaced with the following:

"9. The total percentage of space occupied by the Government under the terms of the lease is equal to 1.95% 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 17,262 Rentable Square Feet by the total building space of 885,786 Rentable Square Feet."

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

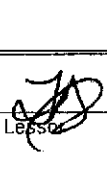
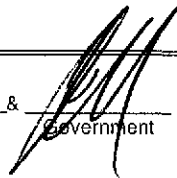
"10. For purposes of determining the base rate for future adjustments to the operating costs, the Government agrees that the base rate of \$106,884.62 (or \$7.2385629 per ANSI/BOMA square foot) is acceptable. This figure includes the Government's pro-rata share of operating costs."

F. Paragraph 12 of the Lease (Standard Form 2) is hereby deleted in its entirety and replaced with the following:

"12. 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 sixty (60) 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, 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 Space", and Paragraph 27 of the General Clauses, GSA Form 3517, "Payment", at the rate of:

Initials:

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Years 1 through 5:

Total Annual Rent: \$410,481.91 per year

Shell Rent: \$271,507.80 per year

Amortized annual cost for Tenant Improvement Allowance*: \$22,917.17 per year

Interest rate at which Tenant Alterations are amortized: eight percent (8%)

Amortized annual cost for Building-Specific Security: \$9,172.32 per year

Annual Cost of Services: \$106,884.62 per year, plus accrued escalations per SFO Paragraph 4.3, "Operating Costs"

Years 6 through 10:

Total Annual Rent: \$427,743.91 per year

Shell Rent: \$288,769.80 per year

Amortized annual cost for Tenant Improvement Allowance*: \$22,917.17 per year

Interest rate at which Tenant Alterations are amortized: eight percent (8%)

Amortized annual cost for Building-Specific Security: \$9,172.32 per year

Annual Cost of Services: \$106,884.62 per year, 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 \$157,405.56 or \$10.66 per ANSI/BOMA Office Area (ABOA) square foot, which is included in the rent using the 8% amortization rate over the firm term of ten (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% 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."

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

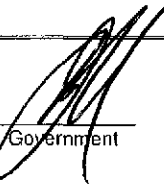
"15. In accordance with SFO Paragraph 4.4, "Adjustments for Vacant Premises", of the lease, if the Government fails to occupy any portion of the leased premises or vacates the premises, in whole or in part, prior to expiration of the term of the lease, the rental rate for the vacated portion of the space will be reduced by \$7.24 per ANSI/BOMA Office Area square foot."

H. Return of Space and Lump-Sum Lease Buyout: Due to unforeseen budget constraints, the tenant agency notified the GSA Contracting Officer on January 31, 2011 that it would be unable to utilize the planned expansion space. The relinquished space is equivalent to 4,677 Rentable Square Feet (RSF) yielding 3,188 ANSI/BOMA Office Area square feet. The Government and Lessor agree to a lump-sum lease buyout of \$332,675.01 to acknowledge the Lessor's lost opportunity cost while the expansion space component was held in reserve. The buyout calculation is based on 4,677 RSF x \$23.71 x 3 years and includes the two (2) years during which space was off market as well as a one (1) year penalty consideration.

Initials:


Lessor

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Government