

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

2-11-11

LEASE NO.

GS-03B-11319

THIS LEASE, made and entered into this date by and between
4240 Market Street, LLC
c/o Richard Kassoway

whose address is 420 Bainbridge Street
Philadelphia, PA 19147

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 consideration hereinafter mentioned, covenant and agree as follows:

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

A maximum of 13,820 ANSI/BOMA office area square feet located at the [REDACTED] Building, 4240 Market Street, Philadelphia, PA 19104,

to be used for any such purposes as may be determined by the United States Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 10 through See Lease Rider Paragraph 10, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of See Lease Rider Paragraph 10 at the rate of See Lease Rider Paragraph 10 per See Lease Rider Paragraph in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to: 4240 Market Street, LLC, c/o Richard Kassoway, 420 Bainbridge Street, Philadelphia, PA 19147

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

All services, operations, utilities, maintenance, alterations and considerations as set forth in this lease contract.

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

The General Provisions and Instructions (Standard Form 2 - A _____ edition).

- A. Rider to Lease Number GS-03B-11319, Paragraphs 7-12.
- B. Solicitation For Offers Number 9PA2071, Pages 1-50.
- C. GSA Form 3517B, General Clauses, dated September, 2001.
- D. GSA Form 3518, Representations and Certifications, dated January, 2007

6. The following changes were made in this lease prior to its execution:

None

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

LESSOR 4240 Market Street, LLC

BY _____ (Signature)

IN PRESENCE OF: _____ (Signature) _____ (Address)

UNITED STATES GOVERNMENT FEDERAL ACQUISITION SERVICE ADMINISTRATION

BY _____ Contracting Officer (Official title)

STANDARD FORM NO. 48
FEBRUARY 1963 EDITION

RIDER TO LEASE NUMBER GS-03B-11319

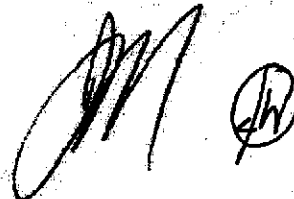
7. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

8. The total percentage of space occupied by the Government under the terms of the lease is equal to 100% 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.

Consistent with Paragraph 3.2.B.7, base year taxes as referred to in this paragraph have been negotiated and are hereby established at \$19,348, or \$1.40 per ANSI/BOMA square foot. The base year for taxes shall be the first twelve months of the lease contract upon commencement of the effective date. The term "full assessment" as referred to in this section shall refer to the first twelve months of the lease.

The Government shall make a lump sum payment after the twelfth month of the lease for its share of any increase in real estate taxes over the negotiated base rate. Upon payment of this amount, the actual taxes for this twelve month period shall serve as the new base year tax amount and all subsequent tax escalations shall be calculated using this amount.

9. For purposes of determining the base rate for future adjustments to the operating cost the Government agrees that the base operating cost quoted on the "Lessor's Annual Cost Statement", (GSA Form 1217), dated December 13, 2010, of \$103,788.20 or approximately \$7.51 per ANSI/BOMA Office Area square foot 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. Upon the one year anniversary date of the lease, there shall be a one-time adjustment of the operating costs based on actual costs. This adjustment will be based on the submission of actual costs, invoices, etc, incurred during the first year. This revised operating cost shall serve as the new base cost of

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services going forward and all subsequent operating cost escalations shall be processed consistent with Paragraph 4.3 of the Lease.

10. 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 270 calendar 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 fifteen (15) consecutive calendar years. The commencement date shall be clarified 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 \$488,675.20 per annum, or approximately \$35.36 per ANSI/BOMA square foot, broken down as follows:

Years 1 through 15:

Shell Rent \$336,655.20 or approximately \$24.36 per ANSI/BOMA Office Area Square Foot (BOAF),

Amortized annual cost per BOAF for Tenant Alteration Allowance: \$3.49

Interest rate at which Tenant Alterations are amortized: 5.75%

Annual Cost of Services: \$103,788.20, or approximately \$7.51 per BOAF

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 1.05%.

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12. In accordance with Paragraph 4.6 of the lease, the additional cost to the Government for overtime use of Government leased space is \$30.00 per hour.



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