

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 2
	TO LEASE NO. GS-03B-12031
ADDRESS OF PREMISES 717 STATE STREET PROFESSIONAL BUILDING 717 STATE STREET ERIE, PA 16566-1341	PDN Number: PS0026284

THIS AMENDMENT is made and entered into between Albert M. Covelli Revocable Trust
 whose address is 3900 East Market Street, Warren, OH 44484-4707

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 the Lease Commencement Date, Tenant Improvement Allowance, Rent, Broker Commission and Commission Credit, payment of the Tenant Improvements, and adjustment of the rent based on the swing space allowance not being utilized.

NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective July 9, 2013 as follows:


- A. Use of the GSA Form 276, Supplemental Lease Agreement has been discontinued. All references in the Lease to "GSA Form 276" or "Supplemental Lease Agreement" shall be now hereby construed to mean "Lease Amendment".
- B. Paragraph 2 of the Standard Form 2 of the Lease is deleted in its entirety and the following inserted in its place:

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on July 9, 2013 through July 8, 2023, subject to termination and renewal rights as may be hereinafter set forth."


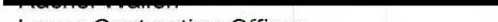
This Lease Amendment contains 4 pages.

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 below date.


FOR THE LESSOR:

Signature: 
 Name: Albert M. Covelli
 Title: Grantor
 Entity Name: Albert M. Covelli Revocable Trust
 Date: 07/31/13

FOR THE GOVERNMENT:

Signature: 
 Name: 
 Title: Lease Contracting Officer
GSA, Public Buildings Service
 Date: 07/31/13

WITNESSED FOR THE LESSOR BY:

Signature: 
 Name: Albert M. Covelli
 Title: Controller
 Date: 07/31/13

C. Per the official Notice to Proceed, (Lease Amendment # 1), the Tenant Improvement Allowance was noted as \$264,784.76. The actual Tenant Improvement Allowance is \$264,748.76. The Lessor and the Government have mutually agreed that the original cost of the Tenant Improvements (TI) is \$541,215.00. Per the final Tenant Improvement Cost Summary (TICS), attached hereto as Exhibit A, the final TI cost, including change orders, is \$554,991.00. This amount is \$290,242.24 over the total Tenant Improvement Allowance.

In accordance with Paragraph 12 of the Standard Form 2 of the Lease, the Government shall:

- a. Amortize the full TI Allowance of \$264,748.76 into the rent over the firm term of the Lease.
- b. Pay \$290,242.24 of the cost of the TI via a one-time lump sum payment. The Lessor shall submit one invoice which shall be printed on the same letterhead as that named on the Lease, shall reference PDN # PS0026284, and shall be submitted at <http://www.finance.gsa.gov>,

with a copy to the GSA Contracting Officer at the following address:

The Strawbridge Building
Attn: Contracting Officer
20 N. 8th Street, 8th Floor
Philadelphia, PA 19107.

D. Paragraph 3 of the Standard Form 2 of the Lease is deleted in its entirety and the following inserted in its place:

“For years 1 – 10, the Government shall pay the Lessor annual rent of \$181,890.30 at the rate of \$15,157.52 per month in arrears.

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

Albert M. Covelli Revocable Trust

[REDACTED]

E. Paragraph 4 of the Standard Form 2 is hereby deleted in its entirety and replaced as follows:

“The Government may terminate the lease in whole or in part effective at any time after July 8, 2023 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.”

F. Paragraph 5 of the Standard Form 2 is hereby deleted in its entirety and replaced as follows:

“This lease maybe be renewed at the option of the Government, for the following terms and at the following rentals: [REDACTED] of [REDACTED] at the annual rental of [REDACTED] per ABOA square foot), plus accrued operating cost escalations provided notice be given in writing to the Lessor at least 180 days before July 8, 2023; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing the day after the date of mailing.”

G. Paragraph 6 of the Standard Form 2 of the Lease is deleted in its entirety and the following inserted in its place:

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

- A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.
- B. The Lessor and the Broker have agreed to a cooperating lease commission of four (4) percent of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional

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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 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 the lease. The Commission less the Commission Credit is [REDACTED].

Notwithstanding Paragraph D of this Lease Amendment No. 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 full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$15,157.52, (of which \$7,797.46 is shell rent), minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Shell Rent

Second Month's Rental Payment \$15,157.52, (of which \$7,797.46 is shell rent), minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Shell Rent

Third Month's Rental Payment \$15,157.52, (of which \$7,797.46 is shell rent), minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Shell Rent

Fourth Month's Rental Payment \$15,157.52 (of which \$7,797.46 is shell rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Shell Rent

Fifth Month's Rental Payment of \$15,157.52 shall commence in full."

H. Paragraph 12 of the Lease Rider is hereby deleted in its entirety and replaced with the following:

"Upon signed acceptance of the leased premises by the Government, the same shall be measured and rent 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: \$30.07 per ANSI/BOMA Office Area Square Foot (ABOA) or \$181,890.30 annually consisting of shell, operating, and tenant improvement costs as outlined below:

Years 1 through 10:

Annual Shell Rent: \$93,569.52 per year or \$15.47 per ANSI/BOMA Office Area Square Foot (ABOA)

Building Specific Security: \$1,391.27 per year or \$.23 per ANSI/BOMA Office Area Square Foot (ABOA)

***Amortized Annual rate for Tenant Improvement Allowance:** \$35,271.05 per year

***Interest rate** at which Tenant Improvements are amortized: 6.0%

Annual Cost of Services: \$51,658.46 per year or \$8.54 per ANSI/BOMA Area Square Foot (ABOA), plus accrued escalations per Paragraph 4.3, "Operating Costs"

I. Per Paragraph 14 of the Standard Form 2 of the Lease, the shell rental rate included a swing space allowance of \$107,050. This allowance was not utilized and therefore the shell rent as outlined in Paragraph D and H of this Lease Amendment No. 2 has been reduced by \$14,828.56 annually in accordance with the calculation described in Paragraph 14 of the Standard Form 2 of the Lease (\$.20/RSF for each \$10,000 of swing space allowance not utilized).

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