

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b>  <b>LEASE AMENDMENT</b>	LEASE AMENDMENT No. 3
	TO LEASE NO. GS-03B-12068
ADDRESS OF PREMISES 100 Independence Mall West Philadelphia, PA 19106-2320	PDN NO.PS0031286

**THIS AMENDMENT** is made and entered into between

KPG IMW Owner LLC

whose address is: 1 Presidential Boulevard, Suite 300  
Bala Cynwyd, PA 19004-1007

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 issue Notice to Proceed (NTP) for a portion of the Space (94,039 ABOA square feet).

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 Upon Execution by the Government as follows:

A. This Lease Amendment formally and officially issues Notice to Proceed (NTP) in the amount of \$8,924,161.31, for the construction of the tenant improvements in relation to 94,039 ABOA square feet (SF) of space, located on the 2nd, 3rd, and 4<sup>th</sup> floors, as identified on the final design intent drawings submitted on August 18, 2014. This notice to proceed is being issued for the following:

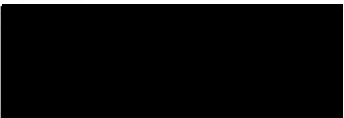
- a. Tenant Improvement Proposal dated March 6, 2015: \$8,854,168.31
- b. Add Alternate No. 3 dated February 20, 2015: \$ 69,993.00
- c. Total Construction Cost: \$8,924,161.31


The Lessor shall be required to complete the construction within 180 calendar days from NTP.


B. The total construction cost for alterations in relation to the 94,039 ABOA SF is \$8,924,161.31. The Government is electing amortize \$5,054,596.25 in the rent over the full term of the Lease at an annual interest rate of 6 percent. The remaining \$3,869,565.06.00 shall be paid via a one-time lump sum payment to the Lessor upon substantial completion of the space.

This Lease Amendment contains 2 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: Marc Rash  
Title: Secretary  
Entity Name: KPG IMW Owner LLC  
Date: March 17, 2015

**FOR THE GOVERNMENT:**   
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Lease Contracting Officer  
GSA, Public Buildings Service,  
Date: 3/17/2015

**WITNESSED FOR THE LESSOR BY:**   
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Lease Administrator  
Date: March 17, 2015

C. Upon completion of the work, the Lessor shall notify the Lease Contracting Officer. After inspection and acceptance of the work by the Government, a properly executed original invoice for the lump-sum payment shall be forwarded to:

General Services Administration (GSA) Finance  
Greater Southwest Region (7BC)  
PO Box 17181  
Fort Worth, Texas 76102-0181

A copy of the invoice must also be mailed to the Contracting Officer at:

GSA, Public Buildings Service  
Real Estate Acquisition Division – North Branch  
The Strawbridge Building - 8th Floor  
20 North 8th Street  
Philadelphia, PA 19107-3101  
ATTN: Cheryl Grosso

For an invoice to be considered proper, it must:

- 1.) be received after the execution of this Lease Amendment,
- 2.) reference the Pegasys Document Number (PDN) specified on this form (PS0031286)
- 3.) include a unique, vendor-supplied invoice number
- 4.) include the exact payment amount requested, and
- 5.) specify the payee's name and address. The payee's name and address must exactly match the lessor's name and address listed above.

D. The Tenant Improvement Allowance (TIA) for the purposes of this Lease is \$53.75 per ABOA SF or \$6,557,500.00. The Government has elected to amortize \$5,054,596.25 in relation to the alterations associated with the 94,039 ABOA SF identified in this Lease Amendment. The Government shall reserve the right to amortize an additional \$1,502,903.75 for tenant improvements associated with the remaining 27,961 ABOA SF under the Lease. The remaining alterations to be completed in relation to the remaining 27,961 ABOA SF shall be amortized at 6 percent over the remaining term of the Lease effective upon substantial completion of the respective alterations.

E. Due to the existence of [REDACTED] the Building Specific Security rental component shall be modified to reflect revised pricing for the installation of [REDACTED]. Accordingly, Building Specific Security Costs of [REDACTED] shall be amortized at a rate [REDACTED] per annum over [REDACTED] upon substantial completion of the Space. Building Specific Security Costs associated with the remaining 27,961 ABOA SF shall be amortized at 6 percent over the remaining term of the Lease effective upon substantial completion of the respective alterations.

F. The Government agrees to pay the shell rental for 122,000 ABOA SF of space upon completion and acceptance of the initial tenant improvements associated with this Notice to Proceed. Accordingly, the entire leased premises must be constructed in accordance with Section 3 of the Lease "Construction Standards and Shell Components".

G. The Government agrees to pay the operating rental for 122,000 ABOA SF of space upon completion and acceptance of the initial tenant improvements associated with this Notice to Proceed. The Government intends to reduce the operating rate by \$2.00 per ABOA SF for any unoccupied space in accordance with 1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011).

H. The Lessor shall construct space for each respective tenant in accordance with 4.06 CONSTRUCTION SCHEDULE AND INITIAL CONSTRUCTION MEETING (APR 2011) which shall be initiated with a separate Notice to Proceed for each respective space. Failure on the part of the Lessor to complete the work within the time fixed in the Lease contract shall require the Lessor to pay liquidated damages in accordance with 4.13 LIQUIDATED DAMAGES (APR 2011).

I. With respect to the 49 structured parking spaces detailed under 1.02 EXPRESS APPURTENANT RIGHTS (AUG 2011), The Lessor agrees to commence rent on these structured parking spaces upon 10 days written notice from the Government. The Lessor and Government agree that the commencement of rent for the 49 structured parking spaces shall occur no later than 3 months following the substantial completion and acceptance of the space by the Government. Once rent on the parking spaces has commenced, the term of parking rental consideration shall become coterminous with the term of the lease.

INITIALS:           m           &           C            
LESSOR & GOVT

