

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDING SERVICES	SUPPLEMENTAL AGREEMENT No. 1	DATE 11-12-09
	TO LEASE NO. GS-03B-08336	

SUPPLEMENTAL LEASE AGREEMENT

ADDRESS OF PREMISE Kevon Office Center II, 2475 McClellan Drive, Pennsauken, NJ 08110

THIS AGREEMENT, made and entered into this date by and between Kevon Office II, L.P.

whose address is c/o 201 S. 18<sup>th</sup> Street, Suite 300  
Philadelphia, PA 19103

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 provide for (i) 1912 ANSI BOMA usable square feet of expansion space; (ii) a corresponding increase in annual rental; (iii) to incorporate the sub-contracting plan into the lease; (iv) to decrease the rate per square foot for the tenant improvement allowance; (v) to change the hours of operation by adding an hour; (vi) to increase the operating costs portion of the rental due to increase in the number of hours; (vii) to change the Government's termination rights (viii) to change the Lessor's fee from 6% to 8%. (ix) In exchange for the change in termination rights and the increase in the fee, the lessor agrees to not submit a claim for delays in the design process.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, Effective October 29, 2009, as follows:

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.

A. Paragraph 1 of the Standard Form 2 is hereby deleted and the following is substituted in lieu thereof:

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

14,667 ANSI/BOMA office area (15,579 rentable square feet (RSF) of office and related space on the first floor as shown on the floor plan attached to this agreement which is labeled Exhibit "A" at the building commercially known as Kevon Office Center II, 2475 McClellan Drive, Pennsauken, New Jersey 08110."

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LESSOR: Kevon Office II, L.P.  
By its sole general partner, KEVON CENTER II CORP.

(Signature) Kenneth S. Kaiserman  
IN THE PRESENCE OF

President (Title)  
c/o 201 S 18<sup>th</sup> St  
Philadelphia, PA 19103  
(Address)

Asst Secretary

UNITED STATES OF AMERICA/GENERAL SERVICES ADMINISTRATION/Philadelphia Service Center

BY \_\_\_\_\_ Contracting Officer Page 1 of  
(Official Title)

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- B. The portion of Paragraph 13 of the rider, as to the lease starting with "Years 1 through 5" is hereby deleted and the following is substituted in lieu thereof:

**13. "Years 1 through 5:**

A total annual rental of \$506,386.42, plus annual escalations, payable at the rate of \$42,198.87 per month in arrears, consisting of :

Shell Rent: \$252,859.08  
Tenant improvements : \$158,138.65\*  
Annual cost of services: \$95,388.69

**Years 6 through 10:**

A total annual rental of \$385,501.95, plus accrued escalations, payable at the rate of \$32,125.16 per month in arrears, consisting of :

Shell Rent: \$290,113.26  
Annual cost of services: \$95,388.69

"The rent shall be adjusted downward if the Government does not utilize the entire tenant improvement allowance of \$634,839.38 or \$43,283,520.00 per ANSI/BOMA Office Area Square foot, which is included in the rent using the 9.00% 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 9.00% 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."

- C. Paragraph 15 of the rider is amended to reflect a Common Area Factor of 1.062180404 (15,579 RSF/14,667 ABOA SF)
- D. Paragraph 10 of the rider to the lease is hereby deleted and the following Paragraph 10 is substituted in lieu thereof:

"10. The total percentage of space occupied by the Government under the terms of the lease is equal to 33.3% of the total space available in the Lessor's building (leased building is one of three building covered by lessor's tax bill), 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 15,579 rentable square feet by the total building (all three pods) of 46,777 rentable square feet."

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E. Paragraph 1.4 of the lease "Right of First Offer/Expansion" is hereby deleted.

F. The first sentence of Paragraph 1.10A of the lease is hereby deleted and the following substituted in lieu thereof:

"1.10 A. The tenant improvement allowance is \$43.283520 per ANSI/BOMA Office Area square foot."

G. The attached small business subcontracting plan is hereby incorporated into the lease.

H. Paragraph 11 of the Rider to the lease is amended as follows:

"11. For purposes of determining the base rate for future adjustments to the operating cost.....which is \$6.50 per ANSI Boma office area. (ABOA) square foot.

I. Paragraph 7.2 of the lease NORMAL Hours is amended as follows:

"7.2 Normal Hours: Services, utilities, and maintenance shall be provided daily, extending 8 a.m. to 6 p.m. except Saturdays, Sundays, and federal holidays."

J. Paragraph 4 of the Standard Form 2 is hereby amended as follows:

"4. The Government may terminate this lease, in whole or in part, after the seventh full year by giving at least sixty (60) days notice in writing to Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computer with the day after the date of mailing."

K. Paragraph 14 of the rider to the lease is hereby amended as follows:

"14. The construction management fee for the initial build-out shall be 8%."

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L. GSA hereby agrees to deduct the cost of \$8,353.15 from the tenant improvement allowance for additional design work performed by Lessor's architect, as outlined in the attached proposal from Eric Hafer & Associates dated July 20, 2009. In consideration for the General Services Administration's allowance for additional design work as detailed in the preceding sentence, the increase to the construction management fee outlined in subparagraph (K) above and the change in termination rights outlined in subparagraph (J) above, Kevon Office II, L.P discharges, remises and releases GSA from any and all claims, demands, and causes of action, legal and equitable, known and unknown, of any kind and nature whatsoever, past, present, and future arising out of or related to delays in the design process, including the payment of interest, attorneys' fees, or other costs. At the time this release is executed, the parties contemplate that the design and construction of the space will be complete by June 7, 2010. If the Government is unable to accept the space as substantially complete by June 7, 2010, then in such case, all of Lessor's rights, as detailed above, will be re-instated; however, only to the extent to submit a claim for Government caused delay occurring after the date of execution of this Supplemental Lease Agreement until the date of Government acceptance of the premises. The Government and Lessor acknowledge as of the date of this Supplemental Lease Agreement (a) The Lessor's architect has submitted 90% construction drawings on October 23, 2009 and is waiting on comments (b) bids have not been submitted to the Government (c) the Government has not sent Lessor a Notice to Proceed; and (d) the general contractor has not been selected to perform Tenant's Improvements nor has such work commenced.

M. The first sentence of Paragraph 23 of the rider to the lease is hereby deleted and the following substituted in lieu thereof:

"23. Construction documents related to Tenant Improvements are estimated to cost \$29,961.15 as outlined in the July 20, 2009 proposal from Eric Hafer & Associates attached to this Supplemental Lease Agreement and the cost of such construction documents shall be deducted from the tenant improvement allowance as outlined in Paragraph 3.15D of the lease."

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