

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT NO. 36	DATE <u>2/18/05</u>
	TO LEASE NO. GS-02B-23182	

ADDRESS OF PREMISES: 1100 Raymond Boulevard
Newark, New Jersey 07072

THIS AGREEMENT, made and entered into this date by and between **Newark Center Building Company** a New York limited partnership whose address is **C/O Gerald S. Kaufman** 39 South LaSalle Street, Suite 1010 Chicago, IL. 60603

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease, as previously amended, to provide for the payment of certain utilities and to establish a new annual rental effective March 1, 2005 for the entire demised premises of 177,165 ANSI/BOMA oa square feet (208,435 rentable square feet).

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective **February 14, 2005** as follows:

See Attached

All other terms and conditions of the Lease shall remain in force and in effect.

IN WITNESS whereof the parties have subscribed their names as of the above date.

LESSOR BY _____ IN P _____	Company Newark Management, LLC G.P. By: <u>Gerald S. Kaufman, Manager</u> (Title) 39 South LaSalle #1010 Chicago, IL 60603 (Address)
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UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION

BY _____	Contracting Officer (Official Title)
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1. As to utilities (i.e., gas, electric, and water) from September 2003 through February 2005, the Government and the Lessor agree that the Government owes the Lessor \$727,778.71 (\$158,052.06 for gas, \$563,476.30 for electric, and \$6,250.35 for water). It is agreed that this amount of \$727,778.71 will be paid by the Government by amortizing it into the annual rental rate over the period March 1, 2005 – May 31, 2016 (135 months) at the interest rate of 8.75%, which equals \$101,890.56 per annum, and an annual rental rate increase in the amount of \$0.49 (49 cents) per rentable square foot per annum (\$101,890.56 divided by 208,435 rentable square feet) over the period March 1, 2005 – May 31, 2016.

2. As to utilities (i.e., gas, electric, and water) from March 1, 2005 through May 31, 2016, the Government and the Lessor agree the Government shall pay the Lessor the amounts set forth below. These amounts which are to be added to the annual rental rates pursuant to this SLA are with respect to utility (i.e., gas, electric, and water) consumption only and do not include any maintenance or other items. These amounts are based on the space as currently built out and used. Any extension of current operating hours for equipment, systems, or otherwise and/or any additional tenant improvements affecting utility usage will be an additional cost to the Government. Overtime usage charges shall continue to apply pursuant to the Lease Rider Paragraph 20 and as otherwise stated in the Lease.
 - a. Water: The Government shall pay an additional \$0.03 (3 cents) per annum per rentable square foot, which \$0.03 (3 cents), as of March 1, 2005, shall be added to the annual rental rates as shown in Paragraph 3 below, and which is an additional \$6,253.05 per annum based upon 208,435 rentable square feet.

 - b. Gas: The Government shall pay an additional \$0.98 (98 cents) per annum per rentable square foot, which \$0.98 (98 cents), as of March 1, 2005, shall be added to the annual rental rates as shown in Paragraph 3 below, and which is \$204,266.30 per annum based upon 208,435 rentable square feet. It is agreed that this amount shall be adjusted annually, effective on March 1 of each subsequent year, the first such anniversary date being March 1, 2006, to: 1) adjust for actual costs of the previous year; such adjustment to be spread evenly over the next twelve months; and 2) to establish the adjustment to the \$0.98 (98 cents) to be paid for the coming year estimate. Attachment 2 to this SLA sets forth the formula for adjustment. The Lessor's mark-up is ten (10) percent. At the end of the lease a final adjustment shall be made for actual costs in the final year or portion of the final year of the Lease. The Government agrees to process these annual adjustments to the annual rental rates and annual rents within thirty (30) days from its receipt from the Lessor of the adjustment information the Lessor is to provide under Paragraph 4 d. and e. below.





- c. Electric: The Government shall pay an additional \$2.51 per annum per rentable square foot, which \$2.51, as of March 1, 2005, shall be added to the rental rate as shown in Paragraph 3 below, and which is \$523,171.85 per annum based upon 208,435 rentable square feet. It is agreed that this amount shall be adjusted annually, on March 1 of each subsequent year, the first such anniversary date being March 1, 2006, to: 1) adjust for actual costs of the previous year; such adjustment to be spread evenly over the next twelve months; and 2) to establish the adjustment to the \$2.51 to be paid for the coming year estimate. Attachment 2 to this SLA sets forth the formula for adjustment. The Lessor's mark-up is ten (10) percent. At the end of the Lease a final adjustment shall be made for actual costs in the final year or portion of the final year of the Lease. The Government agrees to process these annual adjustments to the annual rental rates and annual rents within thirty (30) days from its receipt from the Lessor of the adjustment information the Lessor is to provide under Paragraph 4 d. and e. below.
3. The total of Paragraphs 1 and 2 a., b., and c. above is \$4.01 per rentable square foot per annum (\$0.49 for gas, electric, and water consumption for September 2003 through February 2005; and for gas, electric, and water consumption for March 1, 2005 – May 31, 2016, \$0.03 for water consumption, \$0.98 for gas consumption to be adjusted annually, and \$2.51 for electric consumption to be adjusted annually), \$835,824.35 per annum, and which shall be added as of March 1, 2005 to the annual square footage rental rates, and annual rent, respectively, and which shall be as follows:

Effective March 1, 2005 through March 31, 2007, the Government shall pay the Lessor an annual rent of \$7,201,429.25 at the rate of \$600,119.10 per month in arrears, at a rental rate of \$34.55 per rentable square foot per annum; the annual rent shall be changed to: the annual rent of \$7,743,360.25 at the rate of \$645,280.02 per month for the years from April 1, 2007 to March 31, 2012 of the term in arrears, at a rental rate of \$37.15 per rentable square foot per annum; the annual rent shall be changed to: the annual rent of \$8,497,894.95 at the rate of \$708,157.91 per month for the years from April 1, 2012 to May 31, 2016 in arrears, at a rental rate of \$40.77 per rentable square foot per annum. The annual adjustments for gas and electric consumption, as set forth in this SLA, shall be made annually. Annual tax escalations and operating cost escalations as set forth in the Lease shall continue to apply.





4. The Government shall pay the annual rental increases as set forth above. The Lessor shall:
- a. Pay gas and electric utility company consumption costs.
 - b. Furnish and install the additional gas sub-meters and the additional electric sub-meters such that Government's actual use of gas and of electric from the fourth floor switchgear ("the new service") can be determined by subtracting the Lessor's usage from the total usage.
 - c. With respect to the gas and electric from the new service, develop and implement a monthly cost tracking system to be used on an annual basis to adjust costs to payments made the prior year, starting with the year March 1, 2005 – February 28, 2006, and to provide data to be used in estimating the annual rent adjustment for the coming year. Read and record meters on a monthly basis.
 - d. With respect to the gas and electric from the new service, provide annual analysis showing actual costs vs. estimated costs. Develop the adjustment for annual rental rate changes using the formula in the attached sheet dated January 27, 2005, labeled Attachment 2.
 - e. With respect to the gas and electric from the new service, receive from the Government a 10% mark-up on the Government's estimated annual costs to allow for administration, management, accounting, overhead, profit, and risk, including the costs every year of having to participate in and verify that the Government has correctly and timely implemented annual rental adjustments and notification to relevant persons of the changes to the rent, which amount shall also be adjusted annually to ten (10) percent of the Government's actual costs of the previous year, and ten (10) percent of the coming year estimate, to be calculated pursuant to Attachment 2.
5. This SLA #36 does not resolve any maintenance issues or any issues regarding the Government's usage, contrary to SLA #6 or otherwise, of the Lessor's systems, equipment, pipes, generator, or other property, and the Lessor by signing this SLA, is not waiving any rights it may have against the Government with respect to those or any other matters.



