

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT</b>	LEASE AMENDMENT No. 05
	TO LEASE NO. <b>GS-02B-23937</b>
ADDRESS OF PREMISES: 2 Executive Drive Fort Lee, NJ 07024-3303	PDN Number: PS0027865

**THIS AGREEMENT**, made and entered into this date by and between **Fort Lee EP LLC**

whose address is: c/o The Chetrit Group LLC  
404 5<sup>th</sup> Avenue, 4<sup>th</sup> Floor  
New York, New York 10018-7566

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 Beneficial Occupancy for the leased premises, reduce the Tenant allowance amortized, reconcile tenant improvement budget, provide lump sum payment for TI overage and Change Orders, state liquidated damages, and state Government incurred failed inspection expenses.

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

**SEE ATTACHED**


This Lease Amendment contains 8 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: \_\_\_\_\_  
Title: \_\_\_\_\_  
Entity Name: **Fort Lee EP LLC**  
Date: \_\_\_\_\_

**FOR THE GOVERNMENT:**   
Signature: \_\_\_\_\_  
Name: **KAZI RIZVI**  
Title: **Lease Contracting Officer  
US GSA, Public Buildings Service**  
Date: **3.25.2014**

**WITNESSED FOR THE LESSOR BY:**  
  
Signature: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: **Notary**  
Date: **March 11, 2014**

**LOIS HUTTER SANCHEZ**  
Notary Public, State of New York  
No. 01HU5042516  
Qualified in Queens County  
Commission Expires April 24, 2015

1. 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 now hereby be construed to mean “Lease Amendment”.
2. TO HAVE AND TO HOLD the said premises with their appurtenances as required per this lease for the term beginning on **October 10, 2013 through and including October 9, 2023** subject to termination and renewal rights as may be hereinafter set forth to be used for such purposes as determined by the Government. The term of this lease is cancelable at any time after October 9, 2018 with not less than 120 days written notice by the Government to the Lessor.
3. Paragraph 11 of the Supplemental Lease Agreement 1 is hereby altered, the Government shall pay the Lessor annual rent as follows:

**Years 1–5:** The Government shall pay the Lessor an annual rent of **\$1,064,826.33** {\$29.68 per Rentable Square Foot (RSF) and \$33.73 per Usable Square Foot (USF)}, at the rate of **\$88,735.53** per month in arrears; subject to annual operating cost escalations as specified in Paragraph 4.3 of this lease.

This annual rent includes the maximum Tenant Improvement Allowance (TIA) of \$1,401,669.50 (\$44.40/USF x 31,567 USF) amortized over 60 months at a rate of 7.5% for a total Tenant Improvement rental of \$337,038.98 per annum (\$9.40/RSF; \$10.68/USF). The shell portion of the annual rental amount for October 10, 2013 through October 9, 2018 is \$589,687.30 per annum (\$16.44/RSF; \$18.68/USF)

**Years 6–10:** The Government shall pay the Lessor an annual rent of **\$880,298.88** (\$24.54/RSF; \$27.89/USF), at the rate of **\$73,358.24** per month in arrears; subject to annual operating cost escalations as specified in Paragraph 4.3 of this lease. The shell portion of the annual rental amount for October 10, 2018 through October 9, 2023 is \$742,198.83 per annum (\$20.69/RSF; \$23.51/USF).

**4. TI Reconciliation:**

The following change orders were approved during the course of construction and punchlist work.

Change Order #	Description	Value
1R1	LAN/Data	[REDACTED]
2R1	Paging System	
3R1	Wrap ceilings in IT room	
4	Antenna Cabling	
5	Security Piping - VOID	
6	Duct soffit framing – VOID	
7	RFM #1 – 1” conduit	
8	Add drawers to Rm 326 millwork	

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9	Relocate power/fiber data in Rm. 305, 306, 326		
10	RFM#2 - Rm. 336 & 337 changes		
11	Added receptacles, Coax, phone racks		
12	[REDACTED]		
13	Additional window support		
14	Hand dryer power		
15	Additional Core Drill Rm. 343		
16 and 16R1	Gym Floor Mats		
17R1	Projector and Mounting Screen		
18	EF-4 fan for Rm. 326		
19	VOID		
20	Relocate power/data in Rm. 342		
21R1	Replacement of chair rail in main conference room		
22	[REDACTED]		
23	[REDACTED]		
24	Rm 307 - floor drain detector		
25	Rm 302 Ceiling repair (Security accident)		
26	Security RFC 2, 3, 4, 5, 6		
27	Garage field wall - power supply		
28	Paint credit		
29	Conduit change		
30	Garage fence screen		
31	Ceiling repairs		
32	Shower curbs		
33a	33A - 24/7 access option		
33b	33B - 24/7 access		
34	[REDACTED]		
35	[REDACTED]		
Total Change Orders			\$484,186.15

As per Lease Amendment 2, the total cost of the Tenant Improvements (TI) is \$2,375,510.91, excluding change orders. With the above approved change orders, the total and final Tenant Improvement budget is now \$2,859,697.06.

Pursuant to Paragraph 11 of the Lease Rider and Paragraph 3.3 of the Lease, the Government has elected to pay down a portion of the Tenant Improvement allowance by \$224,662.34 reducing the amortized Tenant Improvement Allowance to \$1,401,669.50. This reduced Tenant Improvement allowance shall be amortized into the rent at the rate of 7.5% per annum over the firm term (60 months) of this lease.

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Pursuant to Lease Amendment #3, \$435,282.75 was paid to the Lessor in a one-time lump sum payment to pay portion of the change order cost. Hence, upon completion of all punch-list items and above change orders, the remaining TI balance of \$1,022,744.81 shall be paid via a one-time lump sum payment (\$2,859,697.06-\$1,401,669.50-\$435,282.75).

Invoice for payment shall be submitted to:  
 GSA Greater Southwest Finance Center (7BCP)  
 PO Box 17181  
 Fort Worth, Texas 76102

or to the GSA Finance Website at [www.finance.gsa.gov](http://www.finance.gsa.gov). Your invoice must be on letterhead of the Lessor, include an invoice number, this lease number and the Pegasys Document Number: PS0027865.

5. One Time Rent Withhold:

- a. Based upon lease required delivery timeframes, the Government has determined that there is a net Lessor delay of thirty-eight (38) working days (53 calendar days). Pursuant to SFO Section 5.7 Liquidated Damages, the Lessor is liable for one (1) day's rent for each calendar day of delay. The total liquidated damages due to the Government is \$154,618.49; this amount shall be withheld from the annual rent ( $\$1,064,826.33/365 = 2,917.33 * 53 = \$154,618.49$ ).
- b. The Government incurred the following expenses due to Lessor negligence in construction schedule and notification.

Vendor	Description	Cost
[REDACTED]	Materials, Labor to adjust systems furniture legs to meet uneven floors	[REDACTED]
[REDACTED]	Travel costs for failed inspections	[REDACTED]
TOTAL COST		\$19,187.88

Documentation for the incurred expenses is attached hereto this Lease Amendment #4 as exhibit "C". The total credit due to the Government for the above expenses is \$19,187.88; this amount shall be withheld from the annual rent.

6. Paragraph 13 of the SF-2 Rider is hereby altered as follows:

CB Richard Ellis ("CBRE") is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and CBRE have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this Lease. The total amount of the commission is [REDACTED]. Lessor shall pay the Broker no additional commission associated with this Lease transaction. In accordance with Paragraph 2.3 "Broker Commission and Commission Credit", the Broker has agreed to forgo [REDACTED] of the commission that it is entitled to receive in connection with this

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lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit [REDACTED] to the Broker in accordance with Paragraph 2.4 of the SFO "Broker Commission and Commission Credit".

The shell rental portion of the annual rental payments due and owing under Paragraph 11 of this Rider shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue throughout the second month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

**First Month's Rental Payment** \$88,735.53 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent;

**Second Month's Rental Payment** \$88,735.53 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

7. Except as modified in this Agreement, all terms and conditions of the Lease shall remain in full force and effect, and in the event that any of the terms and conditions of this Agreement conflict with any terms and conditions of the Lease or any previous supplemental lease agreements, the terms and conditions of this Agreement shall control and govern.

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