

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

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AGREEMENT

DATE

1

8/11/11

TO LEASE NO. GS-02B-23751

ADDRESS OF PREMISES 365 Bridge Street
Brooklyn, NY 11201-3807

THIS AGREEMENT, made and entered into this date by and between METROTECH, LLC I

whose address is: 4611 12th Avenue
Brooklyn, NY 11219-2539

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

WHEREAS, the amount of square footage under lease is being increased to 13,425 rentable square feet (RSF) yielding 11,716 ANSI/BOMA Office Area Square Feet;

WHEREAS, the tenant improvement allowance is being increased by \$1,402,588.00 and amortized over 90 months at a 6% interest rate;

WHEREAS, the Government is exercising the first renewal option changing the lease term from 10 years to 15 years at a decrease in rent;

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective upon execution by the Government;

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.

LESSOR: METROTECH, LLC I

(Signature)

Monger

(Title)

IN THE PRESENCE OF (witnessed by:)

(Signature)

(Address)

Contracting Officer

GSA FORM 276 JUL 67

Supplemental Lease Agreement #1
GS-02B-23751
365 Bridge Street
Brooklyn, NY 11201-3807

1. The premises shall consist of 13,425 rentable square feet of space consisting of 11,716 ANSI/BOMA office area square feet on part of the 1st floor and the entire intermediate level of the building located at 365 Bridge Street, Brooklyn, NY 11201, in accordance with the attached drawings indicating the leased premises and labeled Exhibit "A" attached hereto and made a part hereof.
2. The Lessor has provided the Government with an estimate of \$2,039,308.00 to prepare the premises for the Government's use and occupancy. This estimate is based on the August 3, 2011 drawings and specifications entitled "Revised Per GSA Comments," and competitive bids received and accepted by the Lessor. This cost is deemed to include, but is not limited to, overhead and profit, any applicable sales tax, expediting fees, building department fees, overtime work, and freight elevator charges.

3. The Lessor agrees to contribute a tenant improvement (TI) allowance of \$2,039,308.00 toward the cost of the TI work. Such contribution has been included as part of the rental consideration set forth in paragraph 7 below. The Lessor's contribution toward the TI work will be amortized as follows:

The first \$636,720.00 will be amortized over the first 10-years of the Lease term together with interest at a rate of 6.00% per annum (\$84,826.77 per annum). The remaining \$1,402,588.00 will be amortized over the first 90 months of the Lease term together with interest at a rate of 6.00% per annum (\$232,693.95 per annum).

4. The total cost listed in paragraph 3 above includes a not to exceed amount of \$25,000.00 for reimbursable expenses for the design team and expeditor. The Government's share of this is \$10,467.75 (43.24%). The Lessor is required to provide the Government with all invoices which it must approve in order to include any portion of these funds in the final amortized amount.
5. The Lessor has included a not to exceed amount of \$94,600.00 in laborer costs for the project in the General Conditions. The Government's share of this is \$40,905.00 (43.24%) which is included in the total listed in paragraph 3 above. The Lessor is required to provide time sheets at the end of the project in order for the Government to include its share of this cost in the final amortized amount.

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6. The Government shall not seek a credit and the Lessor shall not seek additional payment in the event the agreed upon construction costs decrease or increase based on the August 3, 2011 drawings. However, in the event the Government makes changes to the August 3, 2011 drawings than such additional or reduced scope would change the TI allowance and the annual rent.
7. The Government agrees to modify the amount of time the Lessor has to complete the tenant improvements from 100 working days to 7 months. However, if Lessor is working diligently and in good faith to complete project it will not be in default if completion of work occurs after 7 months.
8. The Lessor shall be allowed to substitute manufacturers for the security system that are specified on the Security drawings as long as the Government's design and performance requirements for the system can still be met.
9. The Government is exercising the first five year renewal option at the annual rate of \$966,600.00 per annum at a rate of \$80,550.00 per month in arrears. The rent for the second five year renewal option will be \$1,140,006.25 per annum at a rate of \$95,000.52 per month in arrears. The rent for the second option period will be adjusted to reflect payment by the Government of 33% of the current BID Tax for the retail portion of the building. This number will be increased by 1.10 since the Lessor shall not be entitled to receive annual adjustments.
10. The Government shall pay the Lessor rent as follows:
 - a. For months 1-90 the Government shall pay the Lessor annual rent in the amount of \$966,600.00 at a rate of \$80,550.00 per month in arrears; plus \$317,520.72 per annum at a rate of \$26,460.06 per month in arrears for the amortization of the Lessor's contribution to the TI cost.
 - b. For months 91-120 the Government shall pay the Lessor annual rent in the amount of \$966,600 at a rate of \$80,550.00 per month in arrears; plus \$84,826.77 per annum at a rate of approximately \$7,068.90. for the amortization of the Lessor's contribution to the TI cost.
 - c. For months 121-180 the Government shall pay the Lessor annual rent in the amount of \$966,600.00 at a rate of \$80,550.00 per month in arrears:

Rent for a period of less than one month shall be prorated. Rent shall be made payable to:

Metrotech LLC, I
4611 12th Avenue
Brooklyn, NY 11219

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