

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

AUGUST 11, 2011

LEASE NO.

GS-02B-23891

BLDG. NO.

NY7082

THIS LEASE, made and entered into this date by and between **K & F ASSOCIATES, LLC**

whose address is **27 Seminole Drive
Commack, NY 11725-4609**

and whose interest in the property hereinafter described is that of owner

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

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

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

Fourteen thousand five hundred thirty (14,530) rentable square feet (RSF) of office space consisting of 13,433 ANSI/BOMA Office Area square feet (USF) located at the building known and designated as 63-44 Austin Street, Rego Park, Queens, New York 11374-2923 in accordance with the demising floor plan labeled Exhibit "A" attached hereto and made a part hereof to be used for office and related purposes.

2. ~~TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on~~

SEE PARAGRAPH 8 OF THE RIDER TO THIS LEASE

~~_____ through _____, subject to termination and renewal rights as may be hereinafter set forth.~~

3. ~~The Government shall pay the Lessor annual rent of~~

~~\$ _____~~

SEE PARAGRAPHS 12, 13 and 14 OF THE RIDER TO THIS LEASE

~~at the rate of \$ _____ per _____ in arrears.~~

~~Rent for a lesser period shall be prorated. Rent checks shall be made payable to:~~

4. ~~The Government may terminate this lease at any time by giving at least _____ days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

SEE PARAGRAPH 9 OF THE RIDER TO THIS LEASE

5. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

INTENTIONALLY DELETED

7. The following are attached and made a part hereof:

The General Provisions and Instructions (Standard Form 2 - A _____ edition).

SEE PARAGRAPH 7 OF THE RIDER TO THIS LEASE

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR *K. & E. Associates*

[Redacted signature area]

(Signature)

IN PRESENCE OF:

[Redacted presence area]

27 Seneca Drive, Commack, N.Y.

(Address) *11725*

CES ADMINISTRATION

Contracting Officer
(Official title)

7. The following are attached hereto and made a part hereof:
- a. Lease Rider, Paragraphs 7 through 37,
 - b. Section 1: Summary, Paragraphs 1.4, 1.5, 1.10, and 1.11,
 - c. Section 2: Award Factors and Price Evaluation, Paragraphs 2.2 and 2.3
 - d. Section 3: How To Offer and Submittal Requirements, Paragraphs 3.2, 3.3, 3.5 and 3.7,
 - e. Section 4: Utilities, Services, and Lease Administration, Paragraphs 4.1 through 4.5, 4.7 through 4.12,
 - f. Section 5: Design, Construction and Other Post Award Activities, Paragraphs 5.1 through 5.15,
 - g. Section 6: General Architecture, Paragraphs 6.1 through 6.11,
 - h. Section 7: Architectural Finishes, Paragraphs 7.1 through 7.14,
 - i. Section 8: Mechanical, Electrical, Plumbing, Paragraphs 8.1 through 8.18,
 - j. Section 9: Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1 through 9.12,
 - k. Section 10: Lease Security Standards, Paragraphs 10.1 through 10.18,
 - l. Attachment #1: "Section 11 – Special Requirements, Rego Park FO"
 - m. Attachments #2: "Section 12 – Unique Requirements, Rego Park FO"; along with Attachments A, B, C, Exhibit 1 to Attachment C, D, and E to "Section 12 – Unique Requirements", Rego Park FO,
 - n. General Clauses - GSA Form 3517B (Rev. 11/05), Paragraphs 1 through 48,
 - o. Representations & Certifications - GSA Form 3518 (Rev. 1/07), Paragraphs 1 through 12,
 - p. Demising Floor Plan, "Exhibit A",
8. The term of this Lease shall commence upon completion of the alterations to the leased premises by the Lessor and acceptance thereof by the Government as substantially complete and run for a period of ten (10) years thereafter. The commencement date shall be more specifically set forth in a Supplemental Lease Agreement executed by both the Lessor and the Government.
9. The Government may terminate this lease at any time after the fifth (5th) year by providing at least one hundred twenty (120) days written notice to the Lessor and no rental shall accrue after the date of termination. Said notice shall be computed commencing the day after the date of mailing.
10. The Lessor shall proceed with due diligence to provide all labor and materials necessary to perform all alterations and installations in accordance with this rider, Sections 1 through 10 of this lease, its attachments, the Government's approved design intent drawings (to be prepared by the Lessor) and the Government's electrical and data cabling plans and specifications (also known as the SmithGroup drawings) (to be provided by the Government) and to deliver the space ready for occupancy in accordance with Paragraph 5.11 of this Lease.
11. The Lessor agrees to contribute a TI allowance of \$751,845.01 (\$55.97/usf) in accordance with the provisions of Paragraph 3.2 of the SFO portion of this lease. The TI cost of \$751,845.01 will be amortized over the five (5) year firm term compounded at an interest rate of 7% per annum. In the event the balance of the TI cost is less than \$751,845.01 it is understood that the actual TI cost balance will be amortized in the annual rent in the same manner as set forth herein.
- A. General Conditions will not exceed 5.00% of total subcontractor costs.
 - B. General Contractor's fee will not exceed 10.00% of total subcontractor costs.

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- C. Architectural/Engineering fees will not exceed \$3.00 per usable square feet.
- D. Lessor's Project Management fees will not exceed 5.00% of total subcontractor costs.

12. The Government shall pay the Lessor annual rental for years 1 through 5 of the lease term at an annual rental rate of **\$43.27rsf/\$46.80usf** for a total of **\$628,713.00** per annum at the rate of **\$52,392.75** per month in arrears as adjusted by operating cost escalations; provided, however, that the rent shall be reduced in accordance with Paragraph 15 below. Years 1 through 5 annual rental rate includes **\$12.30rsf/\$13.30usf** (**\$178,649.19** per annum) for the amortization of the TI allowance as described in Paragraph 11 above.
13. The Government shall pay the Lessor annual rent for years 6 through 10 of the lease term at an annual rental rate of **\$35.99rsf/\$38.93usf** for a total of **\$522,934.70** per annum at the rate of **\$43,577.89** per month in arrears as adjusted by operating cost escalations.
14. Rent for a lesser period shall be prorated. Rent checks shall be made payable to K & F Associates, LLC, 27 Seminole Drive, Commack, NY 11725-4609.
15. Jones Lang LaSalle ("JLL") is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and JLL have agreed to a cooperating lease commission of [REDACTED] of the "Aggregate Lease Value" for the initial firm term of this Lease. The Aggregate Lease Value is defined as the full service rental to be paid by Tenant for the initial firm term of the Lease. The total amount of the commission is [REDACTED]. Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with Paragraph 2.3, "Broker Commission and Commission Credit" of this Lease, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with Paragraph 2.3, "Broker Commission and Commission Credit" (fifty percent (50%) of the commission shall be due upon the execution of the Lease, and the remaining fifty percent (50%) shall be due at the lease commencement); the Commission less the Commission Credit is [REDACTED].

The shell rental portion of the annual rental payments due and owing under Paragraph 12 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 through the second month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

First month's rental payment \$52,392.75 (of which \$31,990.22 is Shell Rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.

Second month's rental payment \$52,392.75 (of which \$31,990.22 is Shell Rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.

16. The space leased to the Government must contain the required rentable square feet (rsf)/ANSI/BOMA office area square feet (usf) specified in Paragraph 1 of the SF2 of this lease. In no event shall the Government pay for more than 14,530 rsf / 13,433 usf of office space.

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17. For the purposes of operating cost escalations, in accordance with Paragraph 4.3 of this Lease, the annual base cost of services is **\$66,111.50 (\$4.55rsf /\$4.92usf)** which excludes the cost of utilities for natural gas and electricity. The Government shall pay directly to the utility company for natural gas and electric.
18. There shall be no overtime charges for the use of HVAC after the Government's normal working hours. There shall be no overtime charges for rooms requiring 24/7 HVAC.
19. For the purposes of tax adjustments in accordance with Paragraph 4.2(B)9 of this Lease, the Government's 'Percentage of Occupancy' is **85.93%** of the building.
20. In accordance with Paragraph 4.4 of this Lease, 'Adjustment for Vacant Premises', the adjustment for vacant premises rate shall be \$3.00 per usf.
21. The Lessor shall be solely responsible for the technical accuracy of the construction documents to be developed by the Lessor from the approved design intent drawings and the construction of the leased premises as required by this Lease including but not limited to, HVAC requirements, lighting placement, plumbing and fire/life safety requirements.
22. Wherever the words "Offeror" or "Successful Offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "Solicitation", "Solicitation for Offers", or "SFO" appear in the Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for Lease" appear in this Lease, they shall be deemed to mean "Leased Premises."
23. Each employee of the Lessor and/or its contractor(s) shall be (1) a citizen of the United States of America; (2) an alien who has been lawfully admitted for permanent residence as evidenced by Alien Registration Receipt Card, Form I-151; or (3) an alien who presents other evidence from the Immigration and Naturalization Service that employment will not affect his/her immigration status.
24. In no event shall the Lessor enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the employees of the General Services Administration or personnel authorized by the Contracting Officer.
25. Lessor shall not be reimbursed for any services not provided for in the Lease including, but not limited to, repairs and alterations, nor will any rental be paid for occupancy in whole or in part except for the Lease term specified in this Lease, unless approved in advance and in writing by an authorized official of the General Services Administration.
26. In accordance with Paragraph 14 of the General Clauses, the Lessor shall be responsible for the maintenance, operation, repair and replacement of all equipment installed at the leased premises by the Lessor for the entire lease term so as to keep such equipment in good working order. The Government shall permit the Lessor or the Lessor's employees to enter the Government's leased space for this purpose provided the Lessor gives the Government a minimum of 24 hours advance notice if access to the leased premises is required after the Government's normal hours of

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operation. If for any reason access to the leased premises after the Government's normal hours of operation is necessary and proper notification can't be provided, a written explanation must be provided to the Government on the next business day.

27. The Government shall have 24-hour/7-day access to the leased premises.
28. In the event of any conflict or inconsistency between the SFO, the rider and approved construction drawings it is agreed that the rider and the approved construction drawings shall control and govern.
29. As part of the rental consideration, the Government shall have the right to install a satellite dish and/or antenna on the roof of the building.
30. The Lessor shall provide, install and maintain exterior signage that clearly identifies the location to the public.
31. The Lessor shall provide and install drinking fountains adjacent to the public and employee toilet rooms, all of which shall meet ABAAS standards pursuant to paragraph 6.1 of the lease.
32. The Lessor shall comply with all applicable standards and codes including but not limited to section 7.2.1.6.2 of NFPA 101 and the Building Code of New York State.
33. The Lease shall not be binding on either party until executed by a duly authorized official of the General Services Administration.
34. The Lessor shall install and maintain 10 lbs. ABC multipurpose fire extinguishers throughout the leased premises at such locations that the maximum traveled distance between extinguishers is fifty (50) feet. A sign shall be placed above the extinguisher so its location is apparent from a distance. The Lessor shall insure that the leased premises comply with all applicable fire and safety provisions.
35. The Government shall have the option to lease an additional 1,962 rsf / 1,815 usf of contiguous office space at the same terms and conditions as set forth above. The Government shall either exercise or decline the option to lease this additional space prior to the issuance of the Notice to Proceed to construct the leased space.
36. The Lessor shall have a locally designated management company/representative available to promptly respond to deficiencies, immediately address all emergency situations and to ensure compliance with the terms and conditions of the lease.
37. Prior to occupancy and at no additional cost to the Government, the Lessor shall use best efforts to renovate the space for any energy efficiency and conservation improvements that would be cost effective over the firm term of the lease, thereby reducing electricity or fossil fuel consumption, water, or other utility costs. Additional information on such improvements can be found on www.gsa.gov/leasing under "Green Leasing." However, in the event the Lessor obtains the Energy

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Star label prior to the Government's occupancy, the Lessor shall not be required to renovate the space for these improvements. To earn the ENERGY STAR label, the Lessor must follow the instructions on the Energy Star Web site at <http://www.energystar.gov/eslabel>.

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