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**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT**

SUPPLEMENTAL AGREEMENT
NO. 1

DATE
2/7/12

TO LEASE NO. GS-02B-23891

ADDRESS OF PREMISES: 63-44 Austin Street, Rego Park, Queens, New York 11374-2923

THIS AGREEMENT, made and entered into this date by and between **K & F ASSOCIATES, LLC**
whose address is 27 Seminole Drive
Commack, New York 11725-4609

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 the leasing of an additional 1,962rsf/1,815usf of office space.

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

SEE ATTACHED

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

IN WITNESS WHEREOF, the parties subscribed there names as of the above date.

Managing Member
(Title)

(Address)

GENERAL SERVICES ADMINISTRATION

Contracting Officer

(Official Title)

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

Sixteen thousand four hundred ninety two (16,492) rentable square feet (RSF) of office space consisting of fifteen thousand two hundred forty eight (15,248) 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-1" attached hereto and made a part hereof to be used for office and related purposes.

2. The Lessor agrees to contribute a TI allowance of \$962,133.55 (\$63.10/usf) in accordance with the provisions of Paragraph 3.2 of the SFO portion of this lease. The TI cost of \$962,133.55 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 \$962,133.55 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.
- 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.

3. The Government shall pay the Lessor annual rental for years 1 through 5 of the lease term at an annual rental rate of \$44.83rsf/\$48.49usf for a total of \$739,375.52 per annum at the rate of \$61,614.63 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 \$13.86rsf/\$14.99usf (\$228,616.77 per annum) for the amortization of the TI allowance as described in Paragraph 11 above.

4. 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 \$593,604.64 per annum at the rate of \$49,467.05 per month in arrears as adjusted by operating cost escalations.

5. 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]

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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 \$61,614.63 (of which \$36,309.89 is Shell Rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.

Second month's rental payment \$61,614.63 (of which \$36,309.89 is Shell Rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.

6. 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 16,492 rsf / 15,248 usf of office space.
7. For the purposes of operating cost escalations, in accordance with Paragraph 4.3 of this Lease, the annual base cost of services is \$75,020.16 (\$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.
8. For the purposes of tax adjustments in accordance with Paragraph 4.2(B)9 of this Lease, the Government's 'Percentage of Occupancy' is 100% of the building.
9. Except as modified in this Agreement, all other terms and conditions of the Lease shall remain in full force and effect, and in the event that any terms and conditions of this Agreement may conflict with any terms and conditions of the Lease or any previous Agreements, the terms of this Agreement shall control and govern.

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