

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

3/15/11

LEASE NO.
GS-03B-11306

THIS AGREEMENT, made and entered into this date by and between **KL Holdings, LLC**

whose address is: KL Holdings, LLC
800 Cooper St., Ste 550 #840
Camden, NJ 08102-1143

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:

7,818 Rentable Square Feet ('RSF') yielding approximately 6,059 ANSI/BOMA Office Area ('ABOA') square feet and related space located on the 3rd Floor, at 800 Cooper St., Camden, NJ 08102-1155, as depicted on Exhibit 2 (attached)

to be used for such purposes as determined by the General Services Administration.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on See Lease Rider Paragraph 14 subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ See Lease Rider Paragraph 14 at the rate of See Lease Rider Paragraph 14 per month in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

KL Holdings, LLC
PO Box 1906
Cherry Hill, NJ 08034

4. The Government may terminate this lease in whole or in part effective at any time after the fifth (5th) full year of occupancy by giving at least 90 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.

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

One, five year period at the annual shell rental of \$12.31 per rentable (\$15.88 per ABOA) square foot, plus accrued operating cost escalations

provided notice be given in writing to the Lessor at least 90 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:

- A. All services, utilities, maintenance, operations, and other considerations as set forth in this lease.
- B. All the summary requirements outlined in the attached Section 1.
- C. All the award factors and price evaluations requirements outlined in the attached Section 2.
- D. All how to offer and submittal requirements outlined in the attached Section 3.
- E. All utilities, services, and lease administration requirements outlined in the attached Section 4.
- F. All design, construction, and other post award requirements outlined in the attached Section 5.
- G. All required general architecture and architectural finishes as outlined in the attached Section 6 and 7.

- H. All required mechanical, electrical and plumbing requirements as outlined in the attached Sections 8.
- I. All fire safety, life safety, and environmental issues requirements as outlined in the attached Section 9.
- J. All lease security standards requirements outlined in the attached Section 10.

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

- A. Rider to Lease GS-03B-11306
- B. Solicitation for Offers # 8NJ2055
- C. [REDACTED] Design Guide
- D. GSA Form 3517B, "General Clauses" version dated (rev. 11/05)
- E. GSA Form 3518, "Representations and Certifications" version dated (rev. 1/07)
- F. Floor Plan {Exhibit 1}

8. The following changes were made in this lease prior to its execution:

SFO 8NJ2055 sections 1.1(A-C), 1.4, 1.8, 1.9, 1.11, 2.1, 2.2, 2.3, 3.1, 3.5(A), 3.6(A) have been deleted.

This lease contains 132 pages.

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

LESSOR

BY

[REDACTED]

Buildings, LLC, Roy Liu President

(Signature)

[REDACTED]

(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION, PUBLIC BUILDINGS SERVICE

BY

[REDACTED]

Contracting Officer

(Official title)

RIDER TO LEASE GS-03B-11306

9. In no event shall the lessor enter into negotiations concerning the space leased with representatives of Federal agencies other than Contracting Officers and their designated representatives of the General Services Administration.

10. The total percentage of space occupied by the Government under the terms of the lease is equal to 11.4% of the total space available in the Lessor's office building and such percentage will be used as the basis for computing the Government's pro-rata share of real estate taxes, as defined in Paragraph 4.2 of SFO 8NJ2055. The percentage of occupancy is derived by dividing the total Government space of 7,818 rentable square feet by the total building square footage of 68,457 rentable square feet.

11. Common Area Factor

The Common Area Factor of this building for this Government lease that is applied to the ANSI/BOMA Office Area square feet (ABOA) to determine the rentable square feet is 1.2903119 (7,818 RSF/6,059 ABOA SF).

12. For purposes of determining the base rate for future adjustments to the operating cost, the Government agrees that the base rate of \$8.69 per rentable square foot is acceptable. This figure includes the Government's pro-rata share of operating costs.

13. Notwithstanding any other provision of this agreement requiring the Government to give notice to exercise any option contained herein for extension of the lease for additional space in the facility, or for purchase of the facility, the lessor shall notify the Contracting Officer, in writing, at least thirty (30) calendar days and no more than sixty (60) calendar days prior to the time the option must be exercised. In the event the lessor fails to notify the Government, as required by this paragraph, the Government shall have the right to exercise the option at anytime prior to the expiration of the lease. If GSA exercises the option to renew the lease, said rental will be based on the amount of operating cost adjustments accrued up to date of renewal and calculation on the basis of the new adjusted base rate for services and utilities.

14. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government within 120 calendar days from the date of notice to proceed with the construction of the

RIDER TO LEASE GS-03B-11306

tenant improvements. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for ten (10) consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.1 of the lease, "Measurement of Space" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

Years 1 through 5:

The total initial rental rate is \$24.82 per Rentable Square Foot or \$194,220.60 per year, allocated as follows:

Shell Rent: \$90,141.54 per year or \$11.53 per Rentable Square Foot,

Amortized annual cost for Tenant Improvement Allowance*:
\$35,992.64 per year

In accordance with lease negotiations, the Tenant Improvement rate stated above reflects an interest rate of 7% over a 60 month period. Should the Government exercise its termination rights, the Government shall have no obligation to pay the Lessor any remaining balance for the Tenant Improvement rent beyond the firm term of the lease.

Interest rate at which Tenant Alterations are amortized: 7%

Annual Cost of Services: \$67,938.42 per year or \$8.69 per Rentable Square Foot, plus accrued escalations per the attached SFO 8NJ2055, Paragraph 4.3, "Operating Costs"

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$151,475.00 or \$25.00 per

RIDER TO LEASE GS-03B-11306

ANSI/BOMA Office Area Square Foot, which is included in the rent, using the 7% amortization rate over the term of 5 years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 7% amortization rate.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

Years 6 through 10:

Shell Rent: \$90,141.54 per year or \$11.53 per Rentable Square Foot,

Amortized annual cost for Tenant Improvement Allowance*: \$0.00 per Rentable Square Foot.

Annual Cost of Services: \$67,938.42 per year or \$8.69 per Rentable Square Foot, plus accrued escalations per attached SFO 8NJ2055, Paragraph 4.3, "Operating Costs"

Option 1: Five Years

Shell Rent: \$96,231.58 per year or \$12.31 per rentable square foot, plus accrued operating cost escalations

15. In accordance with Paragraph 3.4, "GSA Forms and Pricing Information" and Paragraph 5.3, "Tenant Improvements Pricing Requirements" of the Lease, the overhead and profit charged by the Lessor for Tenant Improvements requested by the Government is 3% of Total Construction costs.

16. In accordance with Paragraph 4.6, "Overtime Usage", of the lease, the additional cost to the Government for overtime use of Government leased space is \$30.00 per hour.

17. In accordance with Paragraph 4.4, "Adjustment for Vacant Premises", of the lease, if the Government fails to occupy any portion of the lease premises or vacates the premises in whole or in part prior to expiration of the terms of the

RIDER TO LEASE GS-03B-11306

lease, the rental rate for the vacated portion of the space will be reduced by \$2.00 per ANSI/BOMA Office Area square foot.

18. The Lessor acknowledges that modifications to the Shell must be made in order to meet the requirements of the Lease. Specifically, modifications must be made to the offered space to ensure compliance with Fire and Life Safety standards and ADA-ABA Accessibility Guidelines in accordance with, but not limited to, the following paragraphs in the attached, SFO 8NJ2055: Paragraph 1.12, "Building Shell"; Paragraph 6.1, "Accessibility"; and Paragraph 8.6, "Toilet Rooms." Additionally, [REDACTED] must be installed in accordance with the attached, SFO 8NJ2055: Paragraph 10.14, "[REDACTED] Requirements". This paragraph is not to be construed as a waiver of rights by the Government to enforce any aspect of the Lease.

19. Lease GS-03B-00323 shall terminate on the day prior to the commencement date of the GS-03B-11306 provided that the Lessor meets all requirements under this lease prior to existing lease expiration date of July 14, 2012. The Government will pay all obligations under GS-03B-00323 and no rental shall accrue after the effective date of GS-03B-11306. In no event will the Government pay rental for both leases (this lease and the succeeding lease) at the same time.

20. Definitions:

- A. Where the word "Offeror" appears it shall be considered "Lessor"
- B. Where the word "should" appears it shall be considered to be "shall"
- C. Where the word(s) "Solicitation" or "Solicitation for Offers" appears it shall be considered to be "Lease"