

PROJECT # 9NY2611

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

3-9-11

LEASE NO. GS-02B- 23816

Building No. NY7448

THIS AGREEMENT made and entered into this date by and between **Iskalo Electric Tower Master Tenant LLC**whose address is: **c/o Iskalo Development Corp., 5166 Main Street, Williamsville, NY 14221**

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:

Ten thousand six hundred twenty-eight (10,628) rentable square feet of office space consisting of eight thousand seven hundred seventy-nine (8,779) ANSI/BOMA Office Area square feet on the sixth (6th) Floor of the building known and designated as Electric Tower, 535 Washington Street, Buffalo, NY 14203, in accordance with the attached floor plan labeled Exhibit "A", attached hereto and made a part hereof, together with sixty-two (62) surface reserved parking spaces at no additional cost to the Government 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

_____ through _____, subject to

~~termination and renewal rights as may be hereinafter set forth.~~ SEE PARAGRAPH 10 OF THE RIDER.

3. The Government shall pay the Lessor annual rent of

\$ _____

at the rate of \$ _____ per _____

in arrears.

~~Rent for a lesser period shall be prorated. Rent checks shall be made payable to:~~SEE PARAGRAPH ~~12~~ OF THE RIDER.

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4. The Government may terminate this lease in whole or in part effective any time after the fifth (5) year of this lease giving at least one hundred twenty (120) days' prior notice in writing to the Lessor. 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:

~~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.~~

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

SEE RIDER TO THE LEASE.

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

SEE RIDER TO THE LEASE.

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

LESSOR: Iskalo Electric Tower Master Tenant LLC




(Signature)

President of Manager

(Title)

UNITED STATES OF AMERICA, GENERAL SERVICES ADMINISTRATION

BY



(Signature)

Anne M. Callahan

Contracting Officer

(Official Title)

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February 1985 Edition

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

- a. Lease Rider, containing paragraphs 8 through 25;
- b. Section 1.0, General, paragraphs 1.1 through 1.9;
- c. Section 2.0, Utilities, Services, and Lease Administration, paragraphs 2.1 through 2.13;
- d. Section 3.0, Design Construction & Other Post Award Activities, paragraphs 3.1 through 3.15;
- e. Section 4.0, General Architecture, paragraphs 4.1 through 4.12;
- f. Section 5.0, Architectural Finishes, paragraphs 5.1 through 5.14;
- g. Section 6.0, Mechanical, Electrical, Plumbing, paragraphs 6.1 through 6.19;
- h. Section 7.0, Fire Protection, Life Safety, and Environmental, paragraphs 7.1 through 7.12;
- i. Section 8.0, Lease Security Standards, paragraph 8.1 through 8.21;
- j. General Clauses, GSA Form 3517B, paragraphs 1 through 48;
- k. Representations and Certifications, GSA Form 3518, paragraphs 1 through 11;
- l. Exhibit "A" Floor plan; and
- m. Exhibit "B" Parking Plan.

9. The term of this Lease shall commence upon Substantial Completion of all alterations specified in this Lease and on Design Intent Drawings (DID's) to be provided by the Government and shall run for a period of ten (10) years cancelable by the Government after the fifth (5th) year. The commencement date of the Lease shall be more particularly set forth by a Supplemental Lease Agreement.

10. The Lessor agrees to contribute a Tenant Improvement (TI) Allowance of \$384,256.83 toward the cost of the TI. Such contribution has been included as part of the rental consideration set forth in Paragraph No. 12 below. The Lessor's contribution towards the TI cost of \$384,256.83 will be amortized over the 5-year firm term of the lease compounded at an interest rate of 6.5% per annum. If the TI cost exceeds \$384,256.83 then the Government shall have the option to either (i) pay the Lessor the difference between \$384,256.83 and the total TI cost in a one-time lump sum payment upon Substantial Completion of the TI, acceptance thereof by the Government and submission of proper invoice by the Lessor, or (ii) have the right to amortize the difference into the rent in the same manner as set forth above. In the event that the TI cost is less than \$384,256.83, only the actual TI cost shall be amortized into the annual rent in the same manner as set forth above and the rental rate set forth in Paragraph No. 12 below shall be reduced accordingly. Such additional payment or rental reduction, if applicable, will be memorialized in a Supplemental Lease Agreement (SLA). The Tenant Improvement fee schedule is established as follows: General Conditions will be eight (8) percent of total subcontractor's costs; General Contractor's fee will be ten (10) percent of total subcontractor's cost; Architectural/Engineering fees will be ten (10) percent of total subcontractor's cost; Project Management fees will be zero (0) percent of the total TI cost.

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11. The Government shall pay the Lessor annual rent as follows:

For years 1 through 5 of the lease term a total annual rental of \$25.09 per rentable square feet for a total of \$266,729.00 per annum at the rate of \$22,227.42 per month in arrears; which annual rental includes \$8.49 per rentable square foot (\$90,221.11 per annum) for the amortization of the Lessor's contribution to the TI and which annual rental also includes \$21,000.00 for the 10 onsite parking spaces and \$43,680.00 for the 52 parking spaces at the parking lot on the corner of Oak and Huron Streets. This annual rental shall be subject to adjustment as set forth in Paragraph 11 above.

For years 6 through 10 of the lease term a total annual rental of \$ \$26.39 per rentable square feet for a total of \$280,483.76 per annum at the rate of \$23,373.65 per month in arrears; which annual rental includes \$24,120.00 for the 10 onsite parking spaces and \$50,232.00 for the 52 parking spaces at the parking lot on the corner of Oak and Huron Streets.

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

Iskalo Electric Tower Master Tenant LLC
c/o Iskalo Development Corp.
5166 Main Street
Williamsville, NY 14221

12. In accordance with Paragraph 2.2, Tax Adjustment, the percentage of Government occupancy is 8.857%. The Real Estate Tax Base is hereby established as \$187,446.05.
13. In accordance with Paragraph 2.3, Operating Costs, the base cost of services for the purposes of operating costs adjustments is \$64,003.00 per annum (\$7.29 per ANSI/BOMA Office Area Square Foot).
14. As part of the annual base rental set forth in paragraph No. 12 above, and at no additional cost to the Government, the Lessor hereby agrees to provide the Building Shell improvements specified in this lease. Such shell improvements shall not be considered to be part of the TI cost.
15. If the Government requires HVAC services beyond the normal hours of operation specified in Section 2.5 of this Lease, the charge shall be \$35.00 per hour for the entire space. The overtime usage rate specified above shall not apply to the areas requiring HVAC services 24 hours per day 7 days per week.
16. In accordance with Paragraph 2.4 of this Lease, Adjustment for Vacant Premises, the Adjustment for Vacant Premises is \$1.50 per ANSI/BOMA Office Area square foot.

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17. The Lessor shall provide a total of sixty-two (62) secured parking spaces as part of the annual rental consideration. Ten (10) of these spaces shall be provided in the Washington Street lot adjacent to the Premises and shall be designated "reserved" for the exclusive use of the Government at locations determined by Lessor, which locations may be subject to change from time to time to other locations within the Washington Street lot ("Assigned Parking Spaces"). The remaining fifty two (52) parking spaces shall be provided at Lessor's surface parking lot located on the corner of E. Huron and Oak Streets ("Oak/Huron Lot"). With respect to the Washington Street lot, the Government shall utilize only the Assigned Parking Spaces. Employees of the Government designated to utilize an Assigned Parking Space shall post the appropriate parking identification in a visible place within their vehicle at all times while same is parked in the Assigned Parking Space. Additionally, upon written request from Lessor, from time to time for special events or to accommodate construction or service vehicles working at the Building, Lessor may use or cause its vendors or contractors to use the Assigned Parking Spaces in the parking lot adjacent to the Building, provided such use shall occur after normal business hours (as defined in the lease) and provided that Lessor coordinates such use with the Government and obtains the Government's prior written approval.

Both the Washington Street and the Oak/Huron parking lots are fenced and gated with proximity card access and 24 hour video surveillance. The Lessor shall have the right to relocate all, or a portion of the spaces located in the Oak/Huron Lot to any of the parking lots noted with an arrow on Exhibit B, attached hereto and made a part hereof. Lessor shall provide the Government with a minimum of sixty (60) days written notice prior to any such relocation. Additionally, the Government reserves the right to inspect these lots prior to any such relocation becoming effective to ensure that any proposed alternate lot provides comparable security and access.

18. The Lessor and Government hereby agree that the main building entrance and elevators located in the main lobby of the building shall be used for passenger and visitor service only. All detainees and evidence shall enter the building through the Huron Street entrance, proceed to the lower level, and be transported through the elevator located at the rear of the building. Further, the Lessor shall provide the Government with keys and key switch to "lockdown" the elevators located at the rear of the building during transportation of all detainees and evidence so that only Government employees, detainees and evidence shall occupy such elevators during the period of transportation. Furthermore, such "lockdown" shall be effected in such a way so that the duration of the "lockdown" shall be for only such period as shall be minimally necessary to transport detainees and evidence from lower level to the demised premises.
19. 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 Star label prior to the Government's occupancy, the Lessor shall not be required to renovate the space for these improvements. To earn the

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ENERGY STAR label, the Lessor must follow the instructions on the Energy Star Web site at <http://www.energystar.gov/eslabel>.

20. 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 this 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", "premises" or "Premises", and wherever the word "Lessee" is used herein it shall be deemed to mean the "Government".
21. If any term or provision of this Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected thereby and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.
22. Each employee of the Lessor and/or its contractor(s) employed in connection with the operation of the Building 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.
23. The 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.
24. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the officers or employees of the General Services Administration or personnel authorized by the Contracting Officer.
25. COMMISSION AND COMMISSION CREDIT:

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of [REDACTED]. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, 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 the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

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Notwithstanding Paragraph 12 of this Lease Rider, the shell rental payments due and owing under this lease 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 as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$22,227.42 minus prorated Commission Credit of \$ [REDACTED] equals [REDACTED] adjusted First Month's rent.

Second Month's Rental Payment \$22,227.42 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's rent.

Third Month's Rental Payment \$22,227.42 minus prorated Commission Credit of \$ [REDACTED] equals [REDACTED] adjusted Third Month's rent.

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