

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE 3.11.2014

Lease No. GS-02B-24052
Building No. NJ4504ZZ

THIS LEASE, made and entered into this date by and between 500 RT 17 South Hasbrouck Heights, LLC

whose address is 500 Rt. 17 South
Hasbrouck Heights, NJ 07604-3121

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:

5,638 rentable square feet (RSF) which yields **4,584 ANSI BOMA office area** square feet of office and related space located on the 2nd floor of the building known and designated as Hasbrouck 17 located at **500 Rt 17 South in Hasbrouck Heights, New Jersey 07604-3121** as shown on the demising plan labeled Exhibit "A" attached hereto and made part hereof, to be used for office and related purposes together with **six (6)** on-site self-parking reserved and secured structured parking spaces located in the building's parking garage.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on _____ through _____, subject to any renewal rights as may be hereinafter set forth.

SEE PARAGRAPH 14 OF THE RIDER TO THIS LEASE

3. The Government shall pay the Lessor rent as follows:

SEE PARAGRAPH 15 OF THE RIDER TO THIS LEASE

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

500 Rt 17 South Hasbrouck Heights, LLC
c/o Plawker Commercial Real Estate
601 Palisade Avenue
Englewood Cliffs, NY 07632-1840

4. The Government may terminate this lease in whole or in part after five (5) years giving at least sixty (60) 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: 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. (Intentionally Deleted)~~

Initials: [Signature] & ICR
Lessor Government

6. ~~The Lessor shall furnish to the Government, as part of the rental consideration, the following:~~
SEE RIDER TO THIS LEASE

7. ~~The following are attached and made a part hereof:~~
SEE PARAGRAPH 9 OF THE RIDER TO THIS LEASE

8. The following changes were made in this lease prior to execution:
Paragraph 5 was deleted in its entirety without substitution.

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

LESSOR: **500 RT 17 South Hasbrouck Heights, LLC**



(Signature)

(Address)

UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION

BY _____

Kazi Rizvi – Contracting Officer

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13. The Lessor hereby agrees to deliver the space ready for occupancy within ninety (90) working days after the execution and delivery of approved working drawings by the Government or Lessor's receipt of a notice to proceed from the Government, whichever is later. The Lessor shall give the Government at least fourteen (14) calendar days' notice of the anticipated completion of the leased premises whereupon the Government shall have ten (10) working days to inspect the leased premises to determine whether the space has been "substantially completed" as described below. The Lessor shall furnish the Government with a copy of the Certificate of Occupancy of the leased premises prior to the Government's acceptance of the space.
14. The term of this Lease shall commence upon the completion of the leased premises by the Lessor, and acceptance thereof by the Government as "substantially completed" as set forth in the General Clauses, GSA Form 3517B, Paragraph 1, and run for a period of ten (10) years thereafter, subject to termination rights after five (5) years, as set forth in Paragraph 4 of the SF-2 of this Lease. The commencement date shall be more particularly set forth by a Supplement Lease Agreement.
15. The term of the lease shall have the following rent payments -

Years 1-5: the Government shall pay the Lessor an annual rent of \$168,688.96 (\$29.92 per rentable square foot (RSF) and \$36.81 per ANSI/BOMA office area square foot (BOASF) at the rate of \$14,057.41 per month in arrears.

Years 6-10: the Government shall pay the Lessor an annual rent of \$140,555.34 [\$24.93 per rentable square foot (RSF) and \$30.67 per ANSI/BOMA office area square foot (BOASF)] at the rate of \$11,712.95 per month in arrears.

The rental set forth above is based upon the Lessor providing a tenant improvement allowance of \$236,168.00 (maximum tenant improvement allowance) for the construction of the tenant improvements which shall be amortized into the annual rental over years 1-5 at an interest rate of 3.5%. Pursuant to this calculation, the portion of the annual rent amortized as annual tenant improvement rental is \$51,555.70 per annum.

If the actual cost of constructing the tenant improvements is less than the maximum tenant improvement allowance, the rental rate will be reduced to reflect the actual cost which will be amortized into the annual rental over years 1-5 at an interest rate of 3.5% and such adjusted amount shall constitute the annual tenant improvement rental.

If the actual cost of constructing the tenant improvements is more than the maximum tenant improvement allowance, the rental rate will be increased to reflect the actual cost which will be amortized into the annual rental over years 1-5 at an interest rate of 3.5% and such adjusted amount shall constitute the annual tenant improvement rental.

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or the Government may reimburse the Lessor for that portion which exceeds the tenant improvements in a one-time lump sum payment.

Notwithstanding the forgoing, the Government reserves the right, upon satisfactory completion of all alterations required by this Lease and Government acceptance of the space as satisfactorily complete, to make a one-time lump sum payment to the Lessor for all or part of the tenant improvement allowance, in which case the annual rental will be adjusted accordingly. These specific items together with the total lump sum payments amount and the reduced annual rental amount will be more specifically set forth in a Supplemental Lease Agreement.

16. For the purpose of the Operating Escalations, in accordance with Section 4, Paragraph 4.3 of this Lease, the base cost of services is \$31,805.00 per annum or \$5.64 per rentable square foot.
17. For the purpose of the Real Estate Tax Adjustment, in accordance with Paragraph of 4.2 of the SFO, the Government will occupy 13.46% of the rentable area of the building. The building's Block number is 136.03 and the Lot number is 1.
18. The Adjustment for Vacant Premises pursuant to Paragraph 4.4 of the SFO shall be at the rate of \$3.50 per ANSI/BOMA office area square foot.
19. The lease shall be a fully-serviced lease, inslcuing all heat and electric service to be supplied by the Lessor, as further provided for in Section 4, Paragraphs 4.1 through 4.13.
20. Pursuant to Paragraph 4.8 of the SFO "Janitorial Services", cleaning services requiring access to the Government's leased space shall be accomplished during the Government's working hours, Monday through Friday, in accordance with the specifications set forth in this Lease.
21. Pursuant to Paragraph 4.6 of the SFO "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (6:00 a.m. to 7 p.m. Monday through Friday) and except Federal Holidays ("Normal Hours"), at a rate of \$75.00 per hour.
22. In addition to the tenant improvements, the Lessor shall provide restrooms within the common area that are fully compliant with Architectural Barriers Act Accessibility Standard (ABAAS) requirements which shall consist of separate restrooms for both men and women.
23. 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

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the Lessor or the Lessor's employees to enter the Government's leased space for this purpose provided the Lessor gives the Government reasonable notice.

24. In no event shall the Lessor enter into negotiations concerning the space leased or to be leased representatives of federal agencies other than the Contracting Officer or other designated representative of the U.S. General Services Administration.
25. The Lease shall not be binding on either party until it has been executed by a duly authorized official of the U.S. General Services Administration and Lessor.
26. The Government reserves the right to post Government rules and regulations where the Government leases space within the demised premises.
27. The Lessor shall not be reimbursed for any services not provided for in the Lease including, but not limited to, repairs, maintenance, alterations and overtime services, 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 U.S. General Services Administration.
28. If, during the term of this Lease including extensions, title to this property is transferred to another party either by sale, foreclosure, Condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany notification:
 - a. A certified copy of the deed transferring title to the property from the Lessor to the new owner;
 - b. A letter from the new owner assuming, approving and agreeing to be bound by the terms of this lease;
 - c. A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of transfer;
 - d. Documentation regarding the new Lessor's organizational structure. If a corporation, indicate the state of incorporation. If a partnership, list all partners fully. If a limited partnership, list all general partners and identify under the laws of which state the limited partnership is created. If a realty trust, give the names of all trustees and the recording date of the trust.;
 - e. Evidence of individuals authorized to sign lease documents and the letter adopting the lease.
 - f. A letter from the new owner identifying the proper legal name(s) and address(es) of the new Lessor and payee.
 - g. The new owner's employer identification or Social Security number and verification that the new owner is actively registered in the Central Contractor Registration (CCR) database.

The foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of transfer, will be processed to the lessor. Initial rental

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- payment, including the applicable portion of rent for the month during which the transfer occurred, to the new owner will be processed on the first day of the second month following the transfer of title. If the notification of transfer and any related information is not received until the sixteenth day of the month (or later), in which the transfer of title will be affected, the full contract rent for that month will be forward to the Lessor. In this instance, it will be the responsibility of both the Lessor and the new owner to submit, in conjunction with the other requested information, a letter of agreement regarding disposition of the monthly rent with respect to the effective date of transfer. In any instance, failure to submit the documentation required for transfer will result in a stop payment of rent until such time as all documentation is received by the Contracting Officer.
29. The Lessor agrees that the Government shall have no obligation to restore the lease space as a result of ordinary alterations, additions or fixtures made during the term, whether performed by the Government or by the Lessor. The Government's right to make alterations, additions or fixtures under this lease, including under Clause 19 of the General Clauses, is subject to each case to the prior written consent of the Lessor, which consent shall not be unreasonably withheld.
 30. The Lessor will provide the name and telephone number of a designated representative that can be contacted to correct deficiencies. The Lessor shall immediately advise the Government of any change in the designated representative and furnish the Government with the name, address and telephone number of the successor within 24 hours.
 31. As part of the rental consideration, the Lessor agrees to obtain any special use of occupancy permit that may be required from the municipality permitting the use and occupancy of the "Premises" by the Government.
 32. The Government shall have access to the leased space on a 24 hour, 7-day a week basis.
 33. The Arlington Group and its co-brokers The Crown Partnership, Inc. and Transcapital Realty, LLC (collectively "Broker") is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and Broker have agreement to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission of [REDACTED]. 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 received 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 the lump sum amount of [REDACTED] within 30 days following execution of this lease by the Government.

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The shell rental portion of the annual rental payments due and owing under Paragraph 15 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 throughout the third month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

First Month's Rental Payment of \$14,057.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$14,057.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$14,057.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

34. 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 the 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.

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