

U.S. GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE: (TBD upon Signatures)

4/2/2008

LEASE NO. GS-02B-23549 BLDG. NO. NY7060

THIS LEASE, made and entered into this date by and between **Onondaga Galleries Limited Liability Company** whose address is **39 State Street, Suite 300, Rochester, New York, 14614** 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 which shall be deemed to consist of 36,477 rentable square feet and 33,011 ANSI/BOMA office area square feet of office space located on the entire 5<sup>th</sup> floor (30,360 ANSI/BOMA office area square feet) and part of the 2<sup>nd</sup> floor (2,651 ANSI/BOMA office area square feet) of the property known as The Galleries of Syracuse, 441 South Salina Street, Syracuse, NY 13202, as shown on the floor plan labeled Exhibit "A" attached hereto and made part hereof, and 43 parking spaces, to be used for office, related purposes and parking.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term as follows:  
The term of the lease shall commence upon completion of the leased premises by the Lessor, and acceptance by the Government as substantially complete, and run for a period of ten (10) years thereafter, subject to termination rights as set forth in Paragraph 4 of this Lease. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

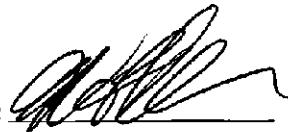
3. The Government shall pay the Lessor an annual rent as follows:

See Rider Paragraph 8.

4. The Government may terminate this lease at any time after the fifth (5<sup>th</sup>) year by giving at least ninety (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. Intentionally Deleted

Lessor:



Government:



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

See Rider.

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

I [Redacted] Limited Liability Company

(Title)

I [Redacted]

39 State St. Ste. 300, Rochester NY  
(Address)

14614

UNITED STATES GOVERNMENT CONTRACTS ADMINISTRATION

BY [Redacted]

Contracting Officer  
(Official title)

**RIDER TO LEASE NO. GS-02B-23549**

7. The following are attached hereto and made a part hereof:
- a) Lease Rider, containing Paragraphs 7 through 26
  - b) Section A, Summary, Paragraphs 1.1 through 1.4
  - c) Section B, Miscellaneous, Paragraphs 3.1 through 3.14
  - d) Section C, General Architecture, Paragraphs 4.1 through 4.14
  - e) Section D, Architectural Finishes, Paragraphs 5.1 through 5.22
  - f) Section E, Mechanical, Electrical, Plumbing, Paragraphs 6.1 through 6.18
  - g) Section F, Services, Utilities, Maintenance, Paragraphs 7.1 through 7.8
  - h) Section G, Safety and Environmental Management, Paragraphs 8.1 through 8.11
  - i) Section H, Lease Security Standards, Paragraphs 9.1 through 9.15
  - j) Section I, Special Requirements and ADP Room/Data/Telecommunications Specifications
  - k) General Clauses – GSA Form 3517B
  - l) Representations and Certifications – GSA Form 3518
  - m) Exhibit "A", the demising floor plan of the leased premises

In the event that any requirements of Sections A - H conflict with the requirements of this Rider or any attachments/exhibits to this Lease, the requirements of this Rider and the attachments/exhibits shall control and govern.

8. The Government shall pay a total annual rent as follows:
- a. For months 1 through 120, the annual fixed rent shall be \$600,047.04 payable at the rate of \$50,003.92 per month in arrears.
  - b. Notwithstanding the foregoing, the portion of the monthly rent attributable to shell rent shall be partially abated during the first five months of the lease term in equal monthly amounts of \$15,451.28 for a rent abatement of \$77,256.05, as more fully set forth in paragraph 25 below.
  - c. This rental consideration includes a tenant improvement allowance of \$1,542,604.03 amortized over ten (10) years at a rate of 7% for a total tenant improvement rental of \$214,931.29 per annum or \$5.89 per rentable square foot. <sup>cm</sup> 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 that actual cost which will be amortized into the annual rental over ten (10) years at an interest rate of 7% and such adjusted amount shall constitute the annual tenant improvement rental. If the actual cost of constructing the tenant improvements is more than the tenant improvement allowance, the rental rate will be increased to reflect that actual cost which will be amortized into the annual rental over ten (10) years at an interest rate of 7% and such adjusted amount shall constitute the tenant improvement rental. Notwithstanding the foregoing, the Government reserves the right, upon satisfactory completion of all

Lessor: 

Government: 

alterations required by this Lease and the Government acceptance of the space as satisfactorily completed, 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 payment amount and the adjusted annual rental amount will be more specifically set forth in a Supplemental Lease Agreement.

9. The Lessor shall construct all tenant improvements as stated in Paragraph 3.12 (F) of the SFO.
10. The Lessor hereby agrees to deliver the space ready for occupancy within ninety (90) 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 ten (10) business days notice of the anticipated completion of the leased premises whereupon the Government shall have ten (10) business days to inspect the leased premises to determine whether the space has been "substantially completed" as described in paragraph 3.12 (G) of the SFO.. The Lessor shall furnish the Government with a copy of the Certificate of Occupancy of the leased premises within one (1) year of the Government's acceptance of the space.
11. The Lessor shall be solely responsible for the technical accuracy of the construction documents to be developed by the Lessor from the approved layout 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 and life safety requirements.
12. The Lessor and the Lessee mutually agree that the premises consist of 36,477 rentable square feet of office space which is equivalent to 33,011 ANSI/BOMA office area square feet.
13. For the purposes of the Real Estate Tax Adjustment, in accordance with Paragraph 3.2 of the SFO, the Government will occupy 15.26% of the rentable area of the building. The Block and Lot number for this building is: Blk 08, Lot 06.2
14. For the purposes of the Operating Cost Escalation, in accordance with, Paragraph 3.3 of the SFO, the base cost of services shall be \$178,007.76 or \$4.88 per rentable square foot.
15. All services, maintenance and utility costs are included in the rental consideration, including tenant electricity for lights, office machines and related equipment and HVAC. Services, utilities and maintenance shall be provided by the Lessor in accordance with the specifications in this lease at no additional cost to the Government.

Lessor: 

Government: 

16. Pursuant to Paragraph 7.3 of the SFO "Overtime Usage", heating and air conditioning (HVAC) are to be provided to the Government's leased premises during the normal hours of operation, 6:00 am to 5:00 pm, Monday through Friday, excluding Saturdays, Sundays, and Federal Holidays. The parties acknowledge that the building's normal hours of operation are daily 6:00 am to 5:00 pm, except Saturdays, Sundays, and Federal Holidays. There is an additional charge of \$20.00/hour for the use of overtime heating and air-conditioning. There shall be no overtime charge for heating or cooling for the computer room described in Section I, Special Requirements and ADP Room/Data/Telecommunications Specifications.
17. Pursuant to Paragraph 7.6 of the SFO "Janitorial Service", 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.
18. 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 reasonable notice.
19. The Lessor agrees that the Government shall have no obligation to restore the leased 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 in each case to the prior written consent of the Lessor, which consent shall not be unreasonably withheld.
20. 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 U.S. General Services Administration.
21. 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;

Lessor: \_\_\_\_\_

Government: \_\_\_\_\_

- 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) The new owner's employer identification or Social Security number;
- e) The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all parties 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 names of all trustees and the recording date of the trust.

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 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 rental for that month will be forwarded 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 of title will result in a stop payment of rent until such time as all documentation is received by the Contracting Officer.

- 22. 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 U.S. General Services Administration or personnel authorized by the Contracting Officer.
- 23. 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.
- 24. 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."
- 25. 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.

Lessor: 

Government: 

26. Studley, Inc. ("Studley") is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this 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 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 Paragraph 1.4 of the SFO, "Broker Commission and Commission Credit", in the lump sum amount of [REDACTED] within 30 days following execution of this lease by the Government

The shell rental portion of the annual rental payments due and owing under Paragraph 8 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 fifth month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

First Month's Rental Payment \$50,003.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$50,003.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$50,003.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

Fourth Month's Rental Payment \$50,003.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

Fifth Month's Rental Payment \$50,003.92 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.

Lessor: 

Government: 