

STANDARD FORM 2
FEBRUARY 1985 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41 CFR) 1-16.601

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

November 24, 2010

LEASE NO.

GS-02B-23609

BLDG NO.

NY7046

THIS LEASE, made and entered into this date by and between Harrowgate Properties, Inc.

whose address is: 10174 State Highway 56
Massena, NY 13662-3403

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:

8,610 rentable square feet (rsf) / 8,610 ANSI BOMA office area square feet (usf) of office and related space on the 1st floor and fourteen (14) covered parking spaces located at the building known and designated as 4 Harrowgate Commons, Massena, NY 13662-2201 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~~

SEE PARAGRAPH 8 OF THE RIDER TO THIS LEASE

~~through _____, subject to termination and renewal rights as may be hereinafter set forth.~~

~~3. The Government shall pay the Lessor annual rent of~~

\$ _____

SEE PARAGRAPHS 12 and 13 OF THE RIDER TO THIS LEASE

~~at the rate of \$ _____ per _____ in arrears.~~

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

~~4. The Government may terminate this lease at any time by giving at least _____ 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.~~

SEE PARAGRAPH 9 OF THE RIDER TO THIS LEASE

~~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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REM [Signature]

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

INTENTIONALLY DELETED

7. The following are attached and made a part hereof:
The General Provisions and Instructions (Standard Form 2 - A _____ edition).

SEE PARAGRAPH 7 OF THE RIDER TO THIS LEASE

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

LESSOR Has

BY

PP/MS. RICHARD E. MAGIODO
(Signature)

U

ION

B

Contracting Officer
(Official title)

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REM [Signature]

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7. The following are attached hereto and made a part hereof:
- a. Lease Rider, Paragraphs 7 through 33
 - b. Section 1: Summary – 1.2, 1.3, 1.5 – 1.9, 1.11 – 1.13
 - c. Section 2: Award Factors and Price Evaluation – 2.2, 2.3, 2.5
 - d. Section 3: How to Offer and Submittal Requirements – 3.2 – 3.6
 - e. Section 4: Utilities, Services, and Lease Administration – 4.1 – 4.13
 - f. Section 5: Design, Construction, and Other Post Award Activities – 5.1 – 5.18
 - g. Section 6: General Architecture – 6.1 – 6.12
 - h. Section 7: Architectural Finishes – 7.1 – 7.14
 - i. Section 8: Mechanical, Electrical, Plumbing – 8.1 – 8.19
 - j. Section 9: Fire Protection, Life Safety, and Environmental Issues – 9.1 – 9.12
 - k. Section 10: Lease Security Standards – 10.1 – 10.30.
 - l. Section 11: Special Requirements – 11.1 – 11.5
 - m. Section 12: Appendix A: Space Location Description
 - n. General Clauses – GSA Form 3517B (Rev. 11/05)
 - o. Representations & Certifications – GSA Form 3518 (Rev. 7/04)
 - p. Exhibit A – Floor plan
 - q. Exhibit B – Davis-Bacon wage rates
8. The term of this Lease shall commence upon completion of the alterations to the leased premises by the Lessor and acceptance thereof by the Government as substantially complete and run for a period of ten (10) years thereafter, subject to the termination rights as set forth below. The commencement date shall be more specifically set forth in a Supplemental Lease Agreement executed by both the Lessor and the Government.
9. The Government may terminate this lease at any time by providing at least 120 days written notice to the Lessor after the fifth (5th) year of the lease and no rental shall accrue after the date of termination. Said notice shall be computed commencing the day after the date of mailing.
10. The Lessor agrees to proceed with due diligence to provide all labor and materials necessary to perform all alterations and installations in accordance with this rider, Sections 1 through 12 of this lease, its attachments, and to deliver the space ready for occupancy in accordance with Paragraph 8 of this Lease.
11. The Lessor agrees to contribute a TI allowance of \$391,330.53 (\$45,450.7/ usf) in accordance with the provisions of Paragraph 3.2 of the SFO portion of this lease. The TI cost of \$391,330.53 will be amortized over the five (5) year lease firm term compounded at an interest rate of 7.00% per annum. In the event the balance of the TI cost is less than \$391,330.53 it is understood that the actual TI cost balance will be amortized in the annual rent in the same manner as set forth herein.

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12. The Government shall pay the Lessor annual rental as follows:

For years 1 through 5 of the lease term, a total annual rental rate of \$29.07 per rentable square foot (rsf) for a total of \$250,290.46 per annum at the rate of \$20,857.54 per month in arrears as adjusted by operating cost escalations; provided, however, that the rent for the first month shall be reduced in accordance with paragraph 13. Years 1 through 5 annual rental rate includes \$10.80 per rsf (\$92,985.76 per annum) for the amortization at an interest rate of 7.00% per annum for the Lessor's contribution to the TI cost.

For years 6 through 10 of the lease term, a total annual rental rate of \$18.27 per rentable square foot (rsf) for a total of \$157,304.70 per annum at the rate of \$13,108.73 per month in arrears as adjusted by operating cost escalations.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to Harrowgate Properties, Inc., 10174 State Highway 56, Massena, NY 13662-3403

13. 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 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 Paragraph 2.5, "Broker Commission and Commission Credit" of the SFO portion of the 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 2.5, "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].

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 \$20,857.54 (of which \$8,767.50 is Shell Rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.

4/16/14 INITIAL: REM / [Signature]
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Second month's rental payment \$20,857.54 (of which \$8,767.50 is Shell Rent) minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.

14. Paragraph 1.9 of the SFO is hereby deleted in its entirety. The Occupancy date will be specified in a subsequent SLA.
15. Intentionally omitted
16. For the purposes of operating cost escalations, in accordance with Paragraph 4.3 of the SFO portion of this Lease, the annual base cost of services is \$52,090.50 (\$6.05 rsf / \$6.05 usf).
17. 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.
18. In accordance with paragraph 4.6, 'Overtime Usage', of the SFO portion of the Lease, the overtime rate shall be \$10.00 per hour for years 1-10 of this Lease agreement. For areas in the leased space requiring 24/7 HVAC service, the Computer Forensics Lab (450 USF) and the IT/Telecom Closet (150 USF), the rate shall be \$2.00 per USF per year (\$1,200 annually); this amount is in addition to the annual base cost of services as stated above in paragraph 15.
19. For the purposes of tax adjustments in accordance with Paragraph 4.2 of the SFO portion of this Lease, the Government's percentage of occupancy is 100.00% of the building.
20. For the purposes of Adjustment for Vacant Premises, in accordance with Paragraph 4.4 of the SFO portion of this Lease, the rent shall be reduced by \$3.00/usf.
21. The Lessor shall be solely responsible for the technical accuracy of the construction documents to be developed by the Lessor from the approved design intent 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/life safety requirements.
22. 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."

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23. 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 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.
24. In no event shall the Lessor enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than the employees of the General Services Administration or personnel authorized by the Contracting Officer.
25. 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.
26. 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 this notification:
- A certified copy of the deed transferring title to the property from the Lessor to the new owner.
 - A letter from the new owner assuming, approving, and agreeing to be bound by the terms of this Lease.
 - A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of the transfer.
 - The new owner's employer identification or Social Security Number.
 - A completed "Payment Information Form" SF3881 (Provided to the Lessor by the Government)
 - The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all partners fully. If a limited partnership, list all general partners fully 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 the 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 related information is not received until the sixteenth day of that month (or later), in which

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the transfer of title will be effected, the full contract rental for the 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 the Contracting Officer receives all documentation.

27. The Government shall have 24-hour/7-day access to the leased premises.
28. In the event of any conflict or inconsistency between the SFO, the rider and approved construction drawings it is agreed that the rider and the approved construction drawings shall control and govern.
29. As part of the rental consideration, the Government shall have the right to install a satellite dish and/or antenna on the roof of the building.
30. The Lessor shall provide and maintain exterior signage that clearly identifies the location to the public.
31. Any alterations required to bring the space, including the restrooms, up to ABAAS compliance will be handled by the Lessor at no additional cost to the Government.
32. Please find attached as Exhibit B the Davis-Bacon wage rates for St. Lawrence County, New York dated 10/22/2010. These rates are subject to change. For the most current Davis-Bacon wage rates for St. Lawrence County, New York please refer to the following website: <http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=Davis-Bacon&docid=NY20100105>
33. The Lease shall not be binding on either party until executed by a duly authorized official of the General Services Administration.

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