

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

*May 20, 2009*

LEASE NO. GS-02 B-23653 / BUILDING NO. BNY7477ZZ

THIS LEASE, made and entered into this date by and between 27-35 JACKSON AVENUE LLC

whose address is 27-35 Jackson Avenue, Long Island City, NY 11101

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 considerations hereinafter mentioned, covenant and agree as follows:

- The Lessor hereby leases to the Government the following described premises:  
Forty-eight thousand three hundred twenty-eight (48,328) rentable square feet (RSF) yielding forty-three thousand twenty-two (43,022) ANSL/BOMA Office Area square feet (USF), of office and related space compromised of:

25,828 RSF (21,816 USF) on part of the ground floor, and  
22,500 RSF (21,206 USF) on the entire second floor,

in the building known and designated as 27-35 Jackson Avenue, Long Island City, New York 11101 (Building), as shown on the floor plans labeled "Exhibit A-1" and "Exhibit A-2", attached hereto and made a part hereof, and; together with the exclusive right by the Government to use five (5) designated and reserved parking spaces located in the parking lot located at the at the southeast corner of Jackson Avenue and Queens Street, Long Island City, NY, together with the right of ingress to and egress from the said premises, as shown on the plan labeled "Exhibit B", attached hereto and made a part hereof, (together the "Premises").

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on:

**SEE ATTACHED RIDER PARAGRAPH 8**

- The Government shall pay the Lessor annual rent of:

**SEE ATTACHED RIDER PARAGRAPH 11**

- ~~The Government may terminate this lease in whole or in part at any time~~

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

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

[Redacted signature area]

*Managing Director*  
(Title)

[Redacted signature area]

UNITED STATES

[Redacted signature area]

Contracting Officer, General Services Administration  
(Official Title)



this Rider, plus accrued annual adjustments and \$6.94 per rentable sq. ft. (\$335,498.89 per annum) for the amortization of the Lessor's contribution to the TI cost as set forth in paragraph 10 above. This annual rental shall be subject to adjustment as set forth in paragraph 10 of this Rider above and paragraphs 2.4, 2.5 and 2.11 herein. Rent for a lesser period shall be prorated.

For years 6 through 10 of the lease term, a total annual rental of \$34.98 per rentable square foot for a total of \$1,690,513.44 per annum at the rate of \$140,876.12 per month in arrears; which annual rental includes the base rate for Operating Costs specified in paragraph 13 of this Rider, plus accrued annual adjustments and \$6.94 per rentable sq. ft. (\$335,498.89 per annum) for the amortization of the Lessor's contribution to the TI cost. This annual rental shall be subject to adjustment as set forth in paragraph 10 of this Rider above and paragraphs 2.4, 2.5 and 2.11 herein. Rent for a lesser period shall be prorated.

For years 11 through 15 of the lease term, a total annual rental of \$31.04 per rentable square foot for a total of \$1,500,101.12 per annum at the rate of \$125,008.42 per month in arrears; which annual rental includes the base rate for Operating Costs specified in paragraph 13 of this Rider, plus accrued annual adjustments. This annual rental shall be subject to adjustment as set forth in paragraphs 2.4, 2.5 and 2.11 herein. Rent for a lesser period shall be prorated.

12. For the purposes of the Real Estate Tax Adjustment clause pursuant to SFO Section 2.4 of the Lease, the Government is deemed to occupy 62.4317 % of the rentable area of the building.
13. For the purposes of the Operating Cost Escalation pursuant to SFO Section 2.5 Operating Costs of the Lease, the base rate shall be \$289,710 per annum or \$5.99 per RSF, which amounts are hereby conclusively accepted by the Lessor and the Government as the base rate for Operating Cost Escalation purposes, and which base rate shall be adjusted annually throughout the 15 year term of the lease. With the commencement of any steps in annual rent, the Operating Expense Base will not reset to the value of the adjusted Operating Expense rate at the end of prior years, but shall remain subject to the Consumer Price Index (CPI) adjustments set forth in SFO Section 2.5 Operating Costs of the Lease.
14. Pursuant to SFO Section 6.3, "Overtime Usage", heating and air conditioning (HVAC) are to be provided to the Government's leased premises during the normal hours of operation, 7:00 am to 5:00 pm, Monday through Friday, excluding Saturdays, Sundays, and Federal Holidays at no additional cost to the Government.
13. The common area factor is established as 1.1233 (48,328 RSF / 43,022 USF).
14. In accordance with the SFO paragraph 2.11 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.21 / USF for vacant space (rental reduction).
15. As part of the rental consideration and included in the shell rental rate, 5 reserved parking spaces located at in the parking lot at the southeast corner of Jackson Avenue and Queens Street, Long Island City, NY will be provided.
16. The Lessor shall furnish domestic water and chilled drinking water, gas service for heating and HVAC, janitorial, and common area electricity as part of the rental consideration. Tenant electricity shall be paid for by the Government directly to the public utility company based on readings from a Lessor-furnished and installed meter. Prior to substantial completion, the Lessor shall provide to the Government the number(s) for the meters serving the Government leased space.
17. 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.
18. Wherever the words "Offeror" or "Successful Offeror" appear in the 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 the "leased premises", "premises" or "Premises" and where the word "Lessee" is used herein it shall be deemed to mean Government.
19. If any term or provision of the Lease or the application thereof to any person or circumstance shall, to any extent, be invalid or unenforceable, the remainder of the Lease or the application thereof of such term or provision to persons or circumstances other than those as which it is held invalid or unenforceable shall not be effected thereby and each term and provision of this Lease shall be valid and enforceable to the fullest extent permitted by law.
20. Each employee of the Lessor and/or its contractor(s) employed in the operation of the building shall be (1) citizen of the United States of America; (2) an alien who has been lawfully admitted for permanent residency as evidenced by Alien Registration Receipt Card Form I-

151; or (3) an alien who presents other information from the Immigration and Naturalization Services that employment will not effect his/her immigration status.

21. If during the term of the Lease, including extensions, the title to this property is transferred to another person 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) A certified copy of the deed transferring title of 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, provided the Government is current on rent and all other obligations under the Lease. The Lessor acknowledges that the Government pays rent one (1) month in arrears.
  - d) The new owner's taxpayer's identification number 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 partners fully. If a limited partnership, list the names of all general partners and identify 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.

The foregoing information must be received by the fifteenth (15th) day of the month in which the transfer 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 rent payments 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 the month (or later), in which the transfer of title will be affected, the full contract rent 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 other requested information, a letter of agreement regarding disposition of the monthly rent relative to the effective date of transfer. In any instance, failure to submit the documentation required for transfer of title will result in the stop payment of rent until such time as all documentation is received by the Contracting Officer.

22. The Lessor shall not be reimbursed for any service 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 by an authorized official of the U. S. General Services Administration.
23. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of Federal agencies other than officers and employees of the U. S. General Services Administration or personnel authorized by the Contracting Officer.
24. The Lessor and the Broker have agreed to a cooperating lease commission to [REDACTED] of the first year, [REDACTED] of the second year, [REDACTED] of the third year, [REDACTED] of the fourth, fifth, sixth, seventh, eighth, ninth and tenth year of the firm term value of this lease consisting of the shell rate, base year operating expenses and amortization of tenant improvement less the commission credit to the tenant. Fifty percent (50%) of the commission shall be due at the signing of the lease, and the remaining fifty percent (50%) due at the lease commencement. Lessor shall pay the Broker no additional commissions associated with this lease transaction. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph 1.6, 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 balance of the Commission of [REDACTED] (half at lease execution and half at lease occupancy) 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. Notwithstanding Paragraph 10 of this Standard Form 2, 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 of \$125,027.20, of which \$48,730.73 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent;

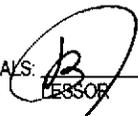
Second month's rental payment of \$125,027.20, of which \$48,730.73 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent;

Third month's rental payment of \$125,027.20, of which \$48,730.73 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted third month's rent;

Fourth month's rental payment of \$125,027.20, of which \$48,730.73 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted fourth month's rent.

INITIALS:  LESSOR &  GOVERNMENT

25. All plans submitted for consideration shall have been generated by a Computer Aided Design (CAD) program which is compatible with the latest release of AutoCAD. The required file extension is .DWG. Clean and purged files shall be submitted on CD-ROM. All submissions shall be accompanied with a written matrix indicating the layering standard to ensure that all information is recoverable. Plans shall include a proposed corridor pattern for typical floors and/or partial floors. All architectural features of the space shall be accurately shown.
26. To the extent of any inconsistency between the terms of this Standard Form 2 (SF2) and any of the attachments, the terms of this SF2 shall govern.

INITIALS:  LESSOR &  GOVERNMENT