

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

MARCH 9, 2010

LEASE NO.

GS-02B-23718

NY7496ZZ

THIS LEASE, made and entered into this date by and between NU GS Realty, LLC

whose address is 1481 47th Street
Brooklyn, New York, 11219

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:

16,200 rentable square feet (rsf) / 14,400 ANSI BOMA office area square feet (usf) of office and related space located on the entire first floor (12,295 USF) and entire second floor (2,105 USF) of the building known and designated as 7715 New Utrecht Avenue, Brooklyn, New York 11214 as shown on the demising plans labeled Exhibits "A1" and "A2" attached hereto and made a part hereof, 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 11 and 12 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:

SEE PARAGRAPH 13 OF THE RIDER TO THIS LEASE

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.

INTENTIONALLY DELETED

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:

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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 hereto have hereunto subscribed their names as of the date first above written.

LESSOR NUGS Realty, LLC

BY _____



(Signature)

IN PRESENCE OF:

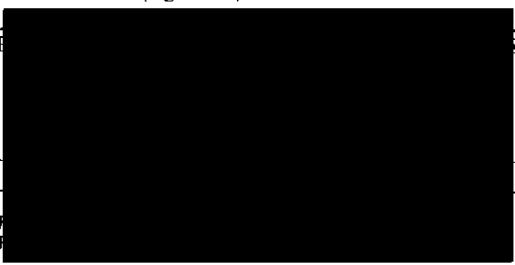
(Signature)

1481 47 St Brooklyn NY 11219
(Address)

UNITED STATES

ADMINISTRATION

BY _____



Contracting Officer
(Official title)

STANDARD
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INITIALS:

LS
LESSOR

1127
&
GOVERNMENT

7. The following are attached hereto and made a part hereof:
- a. Lease Rider, Paragraphs 7 through 36,
 - b. Section 1: Summary, Paragraph 1.11
 - c. Section 2: Award Factors and Price Evaluation, Paragraph 2.3
 - d. Section 3: How to Offer and Submittal Requirements, Paragraphs 3.2, 3.3, 3.5 through 3.7
 - e. Section 4: Utilities, Services and Lease Administration, Paragraphs 4.1 through 4.12
 - f. Section 5: Design, Construction, and Other Post Award Activities, Paragraphs 5.1 through 5.13, 5.15
 - g. Section 6: General Architecture, Paragraphs 6.1 through 6.10
 - h. Section 7: Architectural Finishes, Paragraphs 7.1 through 7.13
 - i. Section 8: Mechanical, Electrical, Plumbing, Paragraphs 8.1 through 8.19,
 - j. Section 9: Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1 through 9.12
 - k. Section 10: Lease Security Standards, Paragraphs 10.1 through 10.14,
 - l. Sections 11 & 12: Special Requirements: Paragraphs 11.1 through 11.5, Unique Requirements: Section 12 and Attachments A through D, with Exhibit A
 - m. General Clauses - GSA Form 3517B (Rev. 11/05), Paragraphs 1 through 48,
 - n. Representations & Certifications - GSA Form 3518 (Rev. 1/07), Paragraphs 1 through 11,
 - o. Floor Plans, Exhibit "A",
 - p. Building façade rendering, Exhibit "D"
 - q. Design Intent Drawing, Exhibit "B" (*to be provided*),
 - r. The Smith Group Drawings, Exhibit "C" (*to be provided*).
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 firm term thereafter. The commencement date shall be more specifically set forth in a Supplemental Lease Agreement executed by both the Lessor and the Government.
9. 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, the Government's approved design intent drawings and the Government's electrical and data cabling plan and specifications (also known as "The Smith Group Drawings") (to be provided by the Government) and to deliver the space ready for occupancy within 80 working days from the Government's issuance of the Notice to Proceed (NTP) in accordance with Paragraph 5.11 of this Lease. The Lessor shall make every effort to obtain the required building department permits prior to the Government's issuance of the NTP. In the event the permits are not issued prior to the NTP, the timeframe to construct the space will not begin until said permits are issued.

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- 10. The space leased to the Government must contain the required ANSI/BOMA office area square feet (usf) specified in Paragraph 1 of the SF2 of this lease. In no event shall the Government pay for more than 14,400 usf of office space.
- 11. The annual rental amount for years 1 through 10 is \$614,394.00 per annum (\$51,199.50 per month) (\$37.93rsf / \$42.67usf) subject to annual operating cost escalations as specified in Paragraph 4.3 of this Lease. This annual rent includes the maximum tenant improvement allowance (TIA) of \$805,968.00 amortized over years 1 through 10 at a rate of 8.00% for a total tenant improvement rental of \$117,343.39 (\$7.24 rsf/\$8.15usf) per annum. The shell rental portion of the annual rental amount for years 1 through 10 is \$424,384.61 per annum (\$35,365.38 per month) (\$26.20rsf / \$29.47usf).
- 12. 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 Paragraph 2.3, "Broker Commission and Commission Credit", 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 2.3 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 11 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 \$51,199.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$51,199.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$51,199.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

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13. Rent shall be paid monthly by the Government, in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to NU GS Realty LLC, 1481 47th Street, Brooklyn, NY 11219.
14. For the purposes of operating cost escalations, in accordance with Paragraph 4.3 of this Lease, the annual base cost of services is \$72,666.00 (\$4.49rsf / \$5.05usf).
15. The Government shall pay directly to the utility company for electricity and gas. The Lessor shall provide separate meters for utilities to be paid for by the Government. The Lessor shall furnish in writing to the Contracting Officer, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.
16. For the purposes of tax adjustments in accordance with Paragraph 4.2 of this Lease, the Government's percentage of occupancy is 100% of the building and the block / lot number for the leased premises is B6247 / L60.
17. For the purposes of Adjustment for Vacant Premises, in accordance with Paragraph 4.4 of the Lease, the annual rent shall be reduced by \$4.27/rsf / \$4.80/usf.
18. Pursuant to Paragraph 5.7 of the Lease, Liquidated Damages, the Lessor shall pay the sum of \$2,000.00 for each and every calendar day that the delivery is delayed beyond the date specified for delivery of all the space ready for occupancy by the Government, provided that the delay is caused by the Lessor or its contractors. Lessor shall not be penalized for delays in the issuance of all municipal permits, inspections and approvals that are beyond the control of the Lessor or its contractors, provided that the Lessor or its contractors have made best efforts and can demonstrate said efforts in obtaining said municipal permits, inspections and approvals.
19. 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.
20. As part of the rental consideration, the Lessor shall construct a new façade on the exterior of the leased location in brick, block and stucco, similar to the design shown in the building rendering, Exhibit "D" to the Lease and in accordance with Paragraph 1.10. The final façade design shall be subject to Government approval, which shall not be unreasonably withheld.

21. 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."
22. 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.
23. 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.
24. 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.
25. In accordance with Paragraph 14 of the General Clauses, 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 a minimum of 24 hours advance notice if access to the leased premises is required after the Government's normal hours of operation. If for any reason access to the leased premises after the Government's normal hours of operation is necessary and proper notification can't be provided, a written explanation must be provided to the Government on the next business day.
26. The Lessor shall install and maintain 10 lbs. ABC multipurpose fire extinguishers throughout the leased premises at such locations that the maximum traveled distance between extinguishers is fifty (50) feet. A sign shall be placed above the extinguisher so its location is apparent from a distance. The Lessor shall insure that the leased premises comply with all applicable fire and safety provisions.
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, install and maintain exterior signage that clearly identifies the location to the public.
31. The Lessor shall provide and install drinking fountains adjacent to the public and employee toilet rooms.
32. In accordance with Paragraph 6.4, the Lessor shall provide and install windows in each exterior bay as part of the building shell portion of the rental consideration. The number, size and location of the windows shall be approved by the Contracting Officer, which shall not be unreasonably withheld.
33. The Lease shall not be binding on either party until executed by a duly authorized official of the General Services Administration.
34. The Lessor shall have a locally designated representative available to promptly respond to deficiencies and immediately address all emergency situations.
35. The Lessor shall provide and install 2 passenger elevators to service the 2nd floor leased space as part of the shell rent.
36. The Lessor shall repair or replace the roof as deemed appropriate by both the Lessor and the Government in order to maintain it in good condition, free from water leaks.