

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY**

DATE OF LEASE *August 10, 2011*

Lease GS-02B-23867 / Building No. NY7117

THIS LEASE, made and entered into this date by and between **VMH REALTY, LLC AND 1180 VETERANS, LLC, TENANTS IN COMMON**

whose address is 14 Sturgis Road  
Bronxville, NY 10708

and whose interest in the property hereinafter described is that of **Lessor**

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:

1. The Lessor hereby leases to the Government the following described Premises:

A total of 42,217 rentable square feet (RSF) of office and related space, which yields 38,008 ANSI/BOMA Office Area square feet (USF) of space in the entire building, cellar and floors 1-3, located at 1180 Veterans Memorial Highway, Hauppauge, New York 11788-4459 (the "Premises") to be used for such purposes as determined by the Government. Included in the rent at no additional cost to the Government are 172 surface parking spaces for the exclusive use of Government employees and patrons. Of the 172 total surface parking spaces, 20 spaces are reserved and secured.

2. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on the date the Government accepts the Premises as substantially complete and continuing for ten (10) years, subject to termination rights hereinafter set forth. Lessor shall deliver the Premises to the Government as substantially complete no later than ninety (90) business days subsequent to the Government's issuance of a notice to proceed.

3. The Government shall pay the Lessor rent monthly in arrears for the Premises in accordance with the following table:

Lease Years	Shell Rent (Annual)	Operating Rent (Annual)	Amortized Tenant Improvements (Annual)	Amortized Building Specific Security (Annual)	Total Annual Rent	Monthly Rent
1-5	\$1,057,289.00	\$350,900.00	\$19,500.00	\$6,000.00	\$1,433,689.00	\$119,474.08
6-10	\$1,082,789.00	\$350,900.00	\$0.00	\$0.00	\$1,433,689.00	\$119,474.08

(CONTINUED ON NEXT PAGE)

**LESSOR**

SIGNATURE



NAME OF SIGNER

*Managing Member*

*FRANK W. CUFFO*

ADDRESS

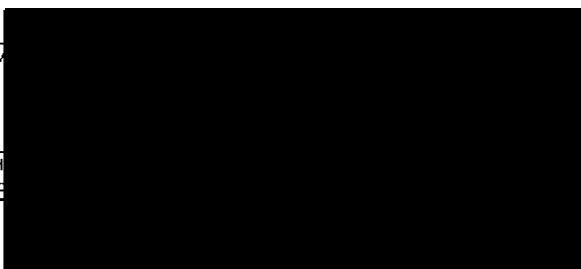
*14 STURGIS ROAD, BRONXVILLE, NY 10708*

IN THE PRESENCE OF (SIGNATURE)

NAME OF SIGNER

**UNITED STATES OF AMERICA**

SIGNATURE



NAME OF SIGNER

**Alfonso Yau**

OFFICIAL TITLE OF SIGNER

**Lease Contracting Officer**

AUTHORITY

Lease GS-02B-23867

STANDARD FORM 2 (REV. 12/2006)

Prescribed by GSA - FPR (41 CFR) 1-16.60

PAGE 1 of 120

Rent shall be \$33.96 per rentable square foot (\$37.72 per USF) for years 1-10 of the Lease and shall be adjusted in accordance with the provisions of the Lease. Rent for a lesser period shall be prorated. Rent shall be made payable via Electronic Funds Transfer (EFT) to:

BSC Properties, Inc.  
14 Sturgis Road  
Bronxville, NY 10708-5003

4. The Government may terminate the Lease in whole or in part at any time after the fifth (5<sup>th</sup>) year by giving at least sixty (60) calendar 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 ATTACHED RIDER)

(THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)

## RIDER TO LEASE GS-02B-23867

## 5. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- A. Rider to Lease containing Paragraphs 5 through 23;
- B. GSA Form 1364 in response to Solicitation for Offers ("SFO") 9NY2554 Rate Structure – Final Proposal Revisions dated June 21, 2011;
- C. GSA Form 1217 Lessor's Annual Cost Statement dated June 21, 2011 (hereinafter, "GSA Form 1217");
- D. Schedule of Improvements dated 6/21/2011;
- E. 1180 Vets Highway Itemized Construction Costs dated 6/16/2011 (the "TI Proposal");
- F. Section 1.0: Summary, 1.1 through 1.3;
- G. Section 2.0: Award Factors and Price Evaluation, 2.1;
- H. Section 3.0: How to Offer and Submittal Requirements, 3.1 through 3.5;
- I. Section 4.0: Utilities, Services and Lease Administration, 4.1 through 4.1;
- J. Section 5.0: Design, Construction and Other Post Award Activities, 5.1 through 5.14;
- K. Section 6.0: General Architecture, 6.1 through 6.13;
- L. Section 7.0: Architectural Finishes, 7.1 through 7.13;
- M. Section 8.0: Mechanical, Electrical, Plumbing, 8.1 through 8.18;
- N. Section 9.0: Fire Protection, Life Safety, and Environmental Issues, 9.1 through 9.12;
- O. Section 10.0: Lease Security Standards, 10.1 through 10.21;
- P. (b)(6) Special Requirements: IDF and MDF Specifications / Hauppauge POD Space Acquisition;
- Q. Special Requirements: (b)(6) Field Office – Hauppauge;
- R. General Clauses, GSA Form 3517B (Rev. 11/05);
- S. Representations and Certifications, GSA Form 3518 (Rev. 1/07);
- T. Exhibit "A" floor plans of the Premises;
- U. Commission Agreement dated April 20, 2011.

6. Rent includes an established Tenant Improvement (the "TI") cost of \$97,500.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 0%. There will be no adjustment to the rental rate if the actual TI costs are above or below \$97,500.00 based on the TI Proposal whose TIs therein are valued at \$170,650.00 without Lessor markup. There are no TI fees associated with this Lease. Lessor shall complete all TIs represented in the TI Proposal prior to commencement date of the Lease pursuant to SFO Section 5.10, *Construction Schedule and Acceptance of Tenant Improvements*. This Paragraph supersedes and governs Sub-Section A of SFO Section 3.1, *Tenant Improvements Included in Offer*, and Section 3.2 *Tenant Improvement Rental Adjustment*.

7. Rent includes Building Specific Security Costs of a total of \$30,000.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 0%.

8. In accordance with SFO paragraph 2.1, *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing the Government in connection with this Lease transaction. The Lessor and CBRE have agreed to a cooperating Lease commission of 7% for years 1-3 and (b)(6) for years 4-5 of the firm term value of this Lease ("Commission"). The total amount of the Commission is (b)(6). This Commission is earned upon Lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of tenant's occupancy of the Premises or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.1, only (b)(6) which is (b)(6) of the Commission, will be payable to CBRE when the Lease is awarded. The remaining (b)(6) which is (b)(6) of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing which 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 until the credit has been fully recaptured.

First month's rental payment of \$119,474.08 minus the prorated commission credit of (b)(6) equals (b)(6) (adjusted first month's rent).

Second month's rental payment of \$119,474.08 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).

Third month's rental payment of \$119,474.08 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).

9. In accordance with SFO Section 4.1, *Measurement of Space*, the common area factor is established as 11% (42,217 RSF / 38,008 USF).
10. In accordance with SFO Section 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 100%. The Real Estate Tax Base pursuant to GSA Form 1217 is \$205,000.00.
11. In accordance with SFO Section 4.3, *Operating Costs Base*, the escalation base is established as \$350,900.00 per annum.
12. In accordance with SFO Section 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$1.00/USF for vacant space (rental reduction).
13. In accordance with SFO Section 4.6, *Overtime Usage*, the rate for overtime usage is established as \$0.00 (no additional charge) per hour beyond the normal hours of operation of 7:00 AM to 6:00 PM. Areas requiring 24/7 HVAC will be provided at no additional cost (\$0.00) to the Government.
14. Cleaning services requiring access to the Government's Leased space shall be performed in accordance with SFO Section 4.8, *Janitorial Services*.
15. In accordance with SFO Section 5.13, *Floor Plans after Occupancy*, the Lessor shall provide a copy of CAD as built drawings on CD-ROM to the contracting officer within twenty (20) calendar days of completion of construction.
16. Pursuant to SFO Section 7.11, *Painting*, Government will provide ninety (90) calendar days' written notice to Lessor after every three years from the commencement date of this Lease with the areas within the Premises, if any, requiring repainting. Lessor shall replace or repair carpeting within the Premises as needed pursuant to Section 7.12, *Floor Covering and Perimeters*, with carpeting meeting the requirements outlined in Section 7.13, *Carpet Tile*. No areas have been identified by Government for carpet replacement prior to the Commencement Date of this Lease.
17. 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 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 "leased premises."
18. 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. 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 the transfer.
  - D. The new owner's tax identification number (TIN#) or social security number.
  - E. The new owner's DUNS#
  - F. 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.
  - G. A Novation Agreement.
  - H. The new owner must provide a new GSA Form 3518.

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 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 rental for that month will be forwarded to the Lessor. 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.

- 19. 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.
- 20. Within 5 days of Lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be taken care of immediately.
- 21. This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implies, shall be admissible to contradict the provisions of this Lease. Wherever there is a conflict between this SF-2 and Rider and the SFO, this SF-2 and Rider shall take precedence.
- 22. The Lessors are tenants in common, Limited Liability Companies and small businesses. The Tax Identification Numbers and DUNS number are as follows. The signatory authority for the Lessor is Frank Cuiffo of BSC Properties, Inc.

VHM Realty LLC (tenant in common)	Tax ID	[REDACTED]	DUNS 790942820
1180 Veterans LLC (tenant in common)	Tax ID	[REDACTED]	DUNS 790937036
BSC Properties Inc (Lessor agent/payee)	Tax ID	[REDACTED]	DUNS 126347595      CCR/CAGE 4NDX0

- 23. Prior to occupancy and at no additional cost to the Government, Lessor shall use best efforts to renovate the space for energy efficiency and conservation improvements that would be cost effective over the firm term of the Lease, thereby reducing electricity or fossil fuel consumption, water, or other utility costs. Additional information on such improvements can be found on <http://www.gsa.gov/leasing> under "Green Leasing". However, in the event Lessor obtains the Energy Star™ label prior to the Government's occupancy, Lessor shall not be required to renovate the space for these improvements. To earn the Energy Star label, Lessor must follow the instructions on the Energy Star website at <http://www.energystar.gov/eslabel>.

(REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK)