

**LEASE NO. GS-02P-LNY24079**

Succeeding/Superseding Lease  
GSA FORM L202 (September 2013)

This Lease is made and entered into between: **598 MAIN STREET, LLC**

(Lessor), whose principal place of business is **726 EXCHANGE ST STE 600, Buffalo, NY 14210-1485** and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**598 Main Street  
Buffalo, NY 14202-1906**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

**LEASE TERM**

To Have and To Hold the said Premises with its appurtenances for the term beginning either upon **August 26, 2015** or upon acceptance of the Premises as required by this Lease, whichever is later, and continuing for a period of

**10 Years, 5 Years Firm,**

subject to termination rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

ty until executed by a duly authorized official of the General Services Administration.

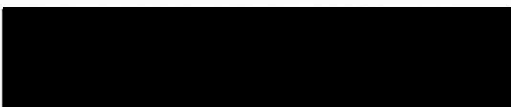
se evidence their agreement to all terms and conditions set forth herein by their signatures below, to be executed Lease to the Lessor.



Name: JOSEPH H. FARMER  
Title: Member  
Date: AUGUST 12, 2014

Date: 8/14/14

Public Buildings Service



Name: KAREN G. FARMER  
Title: OFFICE MANAGER  
Date: 08.12.14

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

LESSOR: [Signature] GOVERNMENT: [Signature]

**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

**1.01 THE PREMISES (SUCCEEDING) (SEP 2013)**

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. Office and Related Space: **7,724** rentable square feet (RSF), yielding **7,327** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **2nd** floor(s) of the Building known as 598 Main Street, Buffalo, NY 14202, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) is established as **1.05** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

**1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. Parking: **23** parking spaces, reserved for the exclusive use of the Government, of which **7** shall be structured/inside parking spaces, and **16** shall be secure surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

**1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)**

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM	NON FIRM TERM
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$154,432.96	\$159,662.11
OPERATING COSTS <sup>3</sup>	\$70,523.00	\$70,523.00
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$12,624.93	\$0.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	\$1,990.51	\$0.00
PARKING <sup>5</sup>	\$INCLUDED IN SHELL	\$INCLUDED IN SHELL
<b>TOTAL ANNUAL RENT</b>	<b>\$239,571.40</b>	<b>\$230,185.11</b>

<sup>1</sup>Shell rent calculation:

(Firm Term) **\$19.99** per RSF multiplied by **7,724** RSF

(Non Firm Term) **\$20.67** per RSF multiplied by **7,724** RSF

<sup>2</sup>The Tenant Improvement Cost of **\$63,124.65** is amortized at a rate of **0** percent per annum over **5** years.

<sup>3</sup>Operating Costs rent calculation: **\$9.13** per RSF multiplied by **7,724** RSF. Operating costs are subject to annual CPI adjustments.

<sup>4</sup>Building Specific Amortized Capital (BSAC) of **\$8,580.00** are amortized at a rate of **6** percent per annum over **5** years

<sup>5</sup>Parking costs described under sub-paragraph H below

In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture the **(2) TWO MONTHS OF FREE SHELL RENT (with the exception of taxes)**; therefore beginning with the FIRST month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

<sup>1</sup>Month 1 Rental Payment equals **\$8,717.76**

<sup>1</sup>Month 2 Rental Payment equals **\$8,717.76**

C. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 7,327 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

~~D. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.~~

~~E. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.~~

F. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

G. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

H. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

4. 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.

5. 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.

~~I. Parking shall be provided at a rate of \$XX per parking space per month (structured/inside), and \$XX per parking space per month (surface/outside).~~

**1.04 PARAGRAPH INTENTIONALLY DELETED**

~~A. [NBC2 Broker Name] (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is \$XX and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only \$XX of the Commission, will be payable to [NBC2 Broker Name] with the remaining \$XX, which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing 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 in equal monthly installments over the shortest time practicable.~~

~~B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully 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:~~

~~Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted X<sup>th</sup> Month's Rent.\*~~

~~Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted X<sup>th</sup> Month's Rent.\*~~

~~Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted X<sup>th</sup> Month's Rent.\*~~

~~\*Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."~~

LESSOR:  GOVERNMENT: 

**1.05 TERMINATION RIGHTS (AUG 2011)**

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 120 calendar days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

**1.06 PARAGRAPH INTENTIONALLY DELETED**

~~This Lease may be renewed at the option of the Government for a term of XX YEARS at the following rental rate(s):~~

		OPTION TERM, YEARS XX-XX	
		ANNUAL RENT	ANNUAL RATE / RSE
SHELL RENTAL RATE		\$XX	\$XX
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.		

~~provided notice is given to the Lessor at least XX days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.~~

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)**

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
SECURITY REQUIREMENTS	1	B
AGENCY SPECIFIC/SPECIAL REQUIREMENTS	1	C
SECURITY UNIT PRICE LIST	1	D
GSA FORM 3517B GENERAL CLAUSES	31	
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	
SEISMIC FORM D	1	

**1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEP 2013)**

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

**1.09 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)**

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$.28 per ABOA SF. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 6 percent.

**1.10 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)**

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government may return to the Lessor any unused portion of the BSAC in exchange for a decrease in rent (where applicable) according to the agreed-upon amortization rate over the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or

LESSOR:  GOVERNMENT: 

3. Negotiate an increase in the rent.

**1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 39 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 7,724 RSF by the total Building space of 20,000 RSF.

**1.12 REAL ESTATE TAX BASE (SEP 2013)**

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease. Tax adjustments shall not occur until the tax year following lease commencement has passed or at the end of the Empowerment Zone tax abatement, whichever is later. The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease shall be established during the following periods:

County Taxes: January 1, 2016 - December 31, 2016.

City Taxes: July 1, 2016 - June 30, 2017.

Any Tax adjustments shall not occur until all (3) payments (County 2017 and the 1st and 2nd payment of City for 2017-2018, on or about 12/31/2017) are fully paid and submitted to the Government in accordance with tax submission process established in section 2.07 of this lease and shall continue thereafter until lease expiration. The amount of the tax adjustment shall be determined by multiplying the Government's Percentage of Occupancy by the difference between the current year Unadjusted Real Estate Taxes and the Real Estate Tax Base. The Government shall pay the tax adjustment in a single annual lump sum payment to the Lessor. In the event that this tax adjustment results in a credit owed to the Government, the Government may elect to receive payment in the form of a rental credit or lump sum payment.

**1.13 OPERATING COST BASE (SEP 2013)**

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$9.13 per RSF (\$70,523/annum).

**1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)**

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$1.75 per ABOA SF of Space vacated by the Government.

**1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)**

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- \$12.00 per hour per zone
- Number of zones: 10

**1.16 24-HOUR HVAC REQUIREMENT (APR 2011)**

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$0.00 per ABOA SF. of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

**1.17 BUILDING IMPROVEMENTS (SEP 2012)**

Before the Government accepts the Space, the Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

A. N/A

LESSOR:  GOVERNMENT: 