

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

December 17, 2013

LEASE NO. GS-02B-24153 / BUILDING NO. NY7564

THIS LEASE, made and entered into this date by and between **301-303 WEST 125 LLC C/O ACHS MANAGEMENT CORP.**

whose address is: 1412 Broadway, 3rd Floor, New York, New York 10018-9228

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:

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

Twenty-one thousand eight hundred fifty-one (21,851) rentable square feet (RSF) yielding seventeen thousand four hundred eighty-one (17,481) ANSI/BOMA Office Area square feet, of office and related space on the fourth (4th) floor of the building known and designated as 301-303 W. 125th Street, New York, New York 10027-3616 ("Building"), as shown on the floor plan labeled "Exhibit A" attached hereto and made a part hereof to be used for office and related purposes by the United States Government.

2. ~~TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on:~~

SEE ATTACHED RIDER PARAGRAPH 8

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

SEE ATTACHED RIDER PARAGRAPH 12

4. ~~The Government may terminate this lease in whole or in part at any time:~~

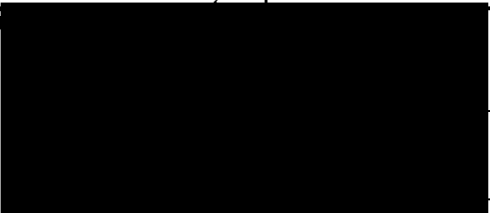
SEE ATTACHED RIDER PARAGRAPH 9

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

INTENTIONALLY DELETED

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

LESSOR
301-303

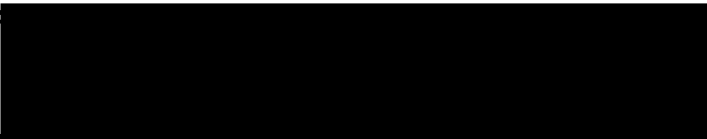


IN PRESENCE OF

Managing Member
(Title)

1407 Broadway 418 Fl NY, NY 10018
(Address)

UNITED STATES OF AMERICA



Acting Officer, General Services Administration
(Official Title)

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RIDER TO LEASE No: GS-02B-24153

6. The following are attached and made a part hereof:

- a) Rider to Lease No. GS-02B-24153, Paragraphs 6 through 32
- b) SFO Section 1: Summary, Paragraphs 1.1B-F, 1.4, 1.5, 1.7A, 1.7C-E, 1.8, 1.10, 1.11, and 1.12
- c) SFO Section 2: Award Factors and Price Evaluation, Paragraph 2.3
- d) SFO Section 3: How to Offer and Submittal Requirements, Paragraphs 3.2, 3.3, 3.4A1-3,5-7, 3.5, 3.6A1,3,4,8-10, 3.6B, 3.7
- e) SFO Section 4: Utilities, Services, and Lease Administration, Paragraphs 4.1 through 4.3 and 4.5 through 4.12
- f) SFO Section 5: Design, Construction, and Other Post Award Activities, Paragraphs 5.4, 5.6 through 5.12A-E,G, and 5.13 through 5.18
- g) SFO Section 6: General Architecture, Paragraphs 6.1 through 6.11
- h) SFO Section 7: Architectural Finishes, Paragraphs 7.1 through 7.14
- i) SFO Section 8: Mechanical, Electrical, Plumbing, Paragraphs 8.1 through 8.19
- j) SFO Section 9: Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1 through 9.12
- k) SFO Section 10: Lease Security Standards, Paragraphs 10.1 through 10.18
- l) Amendment No. 1 to SFO
- m) Amendment No. 2 to SFO
- n) Amendment No. 3 to SFO
- o) GSA Form 3517B, General Clauses (Rev. 06/08)
- p) GSA Form 3518, Representations and Certifications (Rev. 1/07)
- q) Exhibit A – "Fourth Floor Plan"
- r) Exhibit B – "Section 11 – Special Requirements"

7. The Lessor shall construct the Premises so as to deliver the space in accordance with all of the requirements of this Lease ready for occupancy by the Government, no later than ninety (90) working days after receiving the Tenant Improvement Notice to Proceed (NTP) from the Government, as set forth in paragraph 5.14(F) of the SFO to this lease. The Lessor shall make every effort to obtain the required building department permits prior to the issuance of the NTP. In the event that the permits are not issued prior to the NTP, the timeframe to construct the space will not begin until said permits are issued.

8. The term of this Lease shall commence upon Substantial Completion of all alterations specified in this Lease and shall run for a period of ten (10) years thereafter. The Commencement Date of the Lease shall be more particularly set forth in a Supplemental Lease Agreement (SLA) to this Lease.

9. The space leased to the Government must contain the required ANSI/BOMA office area square feet specified in Paragraph 1 of the Standard Form 2 of this Lease. In no event shall the Government pay for more than 17,481 ANSI/BOMA office area square feet of office space. The actual amount of space occupied by the Government will be more specifically set forth in a Supplemental Lease Agreement executed by both the Lessor and the Government.

10. The Lessor shall contribute a Tenant Improvement (hereinafter "TI") Allowance of **\$60,762,000** per ANSI/ BOMA Office Area square foot (USF), or **\$1,062,180.52**, towards the cost of TI. Such contribution has been included as part of the rental consideration set forth in Paragraph No. 11 below. The Lessor's contribution toward the TI cost shall be amortized over the firm term of the lease (**ten (10) years**) at an interest rate of **8.00%** per annum (**\$7,077,304** per RSF per annum). If the TI cost exceeds the Tenant Improvement Allowance of \$1,062,180.52, then the Government shall have the option to:

- a) Amortize the additional tenant improvement cost into the rent in the same manner as set forth above;
- b) Pay the Lessor the difference between \$1,062,180.52 and the total TI cost in a one-time lump sum payment upon Substantial Completion of the TI, acceptance thereof by the Government and submission of a proper invoice by the Lessor, or;
- c) Reduce the Tenant Improvement Requirements

In the event the TI cost is less than \$1,062,180.52, only the actual TI cost shall be amortized into the annual rent in the same manner as set forth above and the rental rate set forth in Paragraph No. 11 below shall be reduced accordingly. Such additional payment or rental reduction, if applicable, will be memorialized in a Supplemental Lease Agreement.

11. The Government shall pay the Lessor annual rental, as part of a non-fully-serviced lease, as follows:

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For years 1 through 10 of the Lease term, a total annual rental of **\$1,383,764.92** per annum at the rate of **\$115,313.74** per month in arrears; which annual rental includes **\$154,646.17** per annum for the amortization of the Lessor's contribution to the TI cost including annual operating cost escalations referenced in Paragraph 15 below. This annual rental shall be subject to adjustment as set forth in paragraph 10 of this Rider and paragraph 4.3 of the SFO herein. Rent for a lesser period shall be prorated.

12. In accordance with paragraph 2.3 of the SFO portion of this Lease, the Lessor and the Broker have agreed to a cooperating lease commission in the amount of [REDACTED]. Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph 2.3, the Broker has agreed to forego thirty-four percent (34.0%) 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] 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 11 of this Rider, 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 **\$115,313.74**, of which **\$91,045.83** is shell rent, minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent.

Second month's rental payment of **\$115,313.74**, of which **\$91,045.83** is shell rent, minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted second month's rent.

13. For the purposes of the Real Estate Tax Adjustment clause pursuant to SFO Section 4.2 of the Lease, the Government is deemed to occupy 21.45% of the rentable area of the Building (21,851 RSF/ 101,851 RSF).
14. Rent shall be paid monthly by the Government, in arrears. Rent for a lesser period shall be prorated. Rent shall be made payable to 301-303 West 125, LLC c/o ACHS Management Corp., 1412 Broadway, 3rd Floor, New York, New York 10018-9228.
15. For the purposes of the Operating Cost Escalation pursuant to SFO Section 4.3 Operating Costs of the Lease, the base rate shall be **\$136,568.75** per annum yielding an escalation base of **\$6.25 per RSF (\$7.81 per ABOASF)** which is included in the rental rate in Paragraph 11 for the period of Year 1 through Year 10.
16. All services, maintenance and water costs are included in the rental consideration, excluding tenant electricity for lights, office machines and related equipment and HVAC. Services, water and maintenance shall be provided by the Lessor in accordance with the specifications in this Lease at no additional cost to the Government.
17. Pursuant to SFO Section 4.6, "Overtime Usage," upon written request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. to 6:00 p.m. Monday through Friday) and except Federal Holidays ("Normal Hours"), at a rate of **\$0.0000** per hour.
18. The common area factor is established as **1.2500 (21,851 RSF / 17,481 ABOASF)**.
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 for the construction of the lease premises as required by this Lease including, but not limited to, HVAC requirements, lighting placement, plumbing and fire/life safety requirements.
20. 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.
21. 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.
22. Each employee of the Lessor and/or its contractor(s) employed in the operation of the Leased Premises 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

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affect his/her immigration status.

23. If during the term of the Lease, including extension, the title to this property is transferred to another person by either 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 the 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 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 which state the limited partnership was created in. 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 day of the month in which the transfer of title will be effected. The rent for that month, adjusted in accordance with the effective date of the transfer will be processed to the Lessor. Initial rental payment 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 effected, the full contract rental 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 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 all documentation is received by the Contracting Officer.

24. 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 a Contracting Officer of the US 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 cannot be provided, a written explanation must be provided to the Government on the next business day.
26. 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.
27. 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.
28. The Government shall have 24-hour/7-day access to the Leased Premises.
29. 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.
30. The Tenant Improvement Fee Schedule is as follows and Lessor agrees not to exceed these figures:
- a) The General Conditions will not exceed **5.00%** of the total subcontractor's costs.
 - b) The General Contractors fee will not exceed **4.00%** of the total subcontractor's costs.
 - c) Architectural and Engineering fees will not exceed **\$3.00 / ANSI/BOMA office area sf.**

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d) Lessor's Project Management fees will not exceed 1.00% of the total subcontractor's costs.

31. The Lessor is a Limited Liability Company and a small business. The Tax Identification Number is [REDACTED]. The DUNS number is 078888325. The signatory authority for Lessor is Robert Cayre.
32. Prior to occupancy and at no additional cost to the Government, the Lessor shall use commercially reasonable efforts to renovate the space for any 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 www.gsa.gov/leasing under "Green Leasing." However, in the event the Lessor obtains the Energy Star label prior to the Government's occupancy, the Lessor shall not be required to renovate the space for these improvements. To earn the ENERGY STAR label, the Lessor must follow the instructions on the Energy Star Website at <http://www.energystar.gov/eslabel>.
33. As a requirement of this Lease, the space is required to be compliant with the requirements of The Architect Barriers Act (ABA) of 1968 as outlined within GSA's accessibility standards known as ABAAS – The Architectural Barriers Act Accessibility Standard. After GSA's ABAAS compliance review of the space it was determined that the fourth floor area-R2 accessible toilet stalls do not currently comply with ABAAS. In order to be in compliance, the stalls need to be a minimum of sixty (60) inches wide. As a requirement of Lease Award, the Lessor must correct the ABAAS deficiencies prior to Agency occupancy. The cost of correction will be assumed by the Lessor.
34. The Leased premises will be accessible by two elevators: (a) one passenger elevator and (b) one freight elevator. Lessor will make the freight elevator available daily, Monday through Friday, between the hours of 7:00am and 9:00am, and 3:30pm and 5:30pm for preferred use by Government employees. During these times, the Lessor will coordinate freight deliveries to minimize interruptions to the freight elevator for use by Government employees. The freight elevator will also be made available for public visitors to the premises in the event the passenger elevator is out of service.
35. Lessor shall allow Government employees to enter the Building through the door located immediately to the West of the loading dock area in order to access the freight elevator. Lessor shall also create an entrance door from the service hallway to connect the loading dock to the West 126th Street lobby area in order to permit service corridor access to Government employees. All doors will be equipped with access control door hardware, the cost of which will be part of the Tenant Improvement Allowance.
36. The Government shall have the right to utilize both sets of the fire stairs that service the premises for the purpose of ingress and egress by Government employees, in addition to emergency evacuation use, Monday through Friday, between the hours of 7:00am and 7:00pm. The fire stairs will have finishes and lighting in accordance with Government standards. The Government will have the right to install security cameras in the stairs and access control door hardware on the doorways used by Government employees, the cost of which will be part of the Tenant Improvement Allowance.
37. The Government will have the right, at its expense, to install a magnetometer and other security equipment and post security personnel in the Government's ground floor lobby located on West 126th Street. The Government shall determine the hours of public access to the West 126th lobby and shall have the right to install access control door hardware, security cameras and any other access control door hardware.
38. The Lessor will provide exterior signage identifying the Government Tenant, as part of the Tenant Improvement Allowance, on the façade signage band areas on both the Frederick Douglass Blvd. and the West 126th Street building entrances. The Lessor will also construct a pedestrian awning with signage at the main Government entrance located at West 126th Street.

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