

General Services Administration
Public Buildings Service
SUPPLEMENTAL LEASE AGREEMENT

Supplemental Agreement No. 12

To Lease No. GS-02B-22464

Date:

DEC 07 1995

Address of Premises: 99 Tenth Avenue, New York, New York

THIS AGREEMENT, made and entered into this date by and between Able Empire Group, a partnership of Abraham Hirschfeld, Elie Hirschfeld, Belz Associates, a Tennessee general partnership and Belz Investment Company, a Tennessee Corp.

whose address is: 15 Penn Plaza
415 Seventh Avenue, Suite 150
New York, New York

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease, as previously amended, to 1) to settle the claim in the amount of \$19,178,418.00 for alleged Lessee delays as set forth in Paragraph 31 of the Rider to the Lease; 2) to exercise two five-year extension periods for the periods of June 3, 2001 through June 2, 2006 and June 3, 2006 through June 2, 2011; 3) to relinquish the Government's unilateral right to terminate the lease during years eleven through twenty; 4) to reduce the annual rental by \$1,000,000.00 for lease years eleven through twenty; 5) to amend Paragraph 15 of the General Clauses, "Failure in Performance"; and 6) to provide for the performance of certain improvements and alterations.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said lease is amended, effective December 5, 1995, as follows:

1. The Lessor hereby releases and discharges the United States of America, General Services Administration, [REDACTED] and their offices, agents and employees from all claims, demands, causes of action and liability of whatever nature arising against them as a result of the Lessee delays from the date of the Lease execution, August 3, 1988, through the date of the execution of this Supplemental Lease Agreement, which the Lessor ever had, now has, or which their heirs, executors and administrators, successors and assigns of the Lessor hereinafter can, shall or may have for, upon or by reason of any matter, cause or thing arising therefrom. In addition, the parties hereto also agree to the terms set forth in the following Paragraphs 2 through 8. The release effected by this paragraph is conditioned upon the receipt by Lessor of a fully-executed counterpart hereof.

Supplemental Lease Agreement #12 of Lease GS-02B-22464 continued.

2. In consideration for the above, the Government hereby early exercises its two (2) five (5) year extension periods from June 3, 2001 through June 2, 2011 as set forth in Paragraph 15 of the Lease; and Lessor and the Government hereby agree that the term of the Lease is hereby extended through June 2, 2011.

3. Paragraph 14 of the Lease is hereby intentionally deleted.

4. In lieu of the annual rental provided in Paragraph 15 of the Rider of the Lease, the Government shall pay the Lessor annual rent for years eleven through twenty of the Lease as follows:

For the five year-period beginning on June 3, 2001 through June 2, 2006:

Unit 1. \$6,851,636.68, or the base annual rent (set forth under Paragraph 13 of the Lease, as amended from time to time, the latest such amendment being pursuant to SLA #11), together with accumulated operating cost escalations through and including June 2, 2002 whichever is greater. The rent as thus determined shall be further adjusted in accordance with paragraph 20 of Section B, "Operating Costs" and paragraph 22 of the Rider to the Lease, commencing June 3, 2002

Unit 2. \$3,886,947.22, or the base annual rent (set forth under Paragraph 13 of the Lease, as amended from time to time, the latest such amendment being pursuant to SLA #11), together with accumulated operating cost escalations through and including June 2, 2002 whichever is greater. The rent as thus determined shall be further adjusted in accordance with paragraph 20 of Section B, "Operating Costs" and paragraph 22 of the Rider to the Lease, commencing June 3, 2002.

For the five-year period beginning on June 3, 2006 through June 2, 2011:

Unit 1. \$9,385,570.00, or the base annual rent (set forth under Paragraph 13 of the Lease, as amended from time to time, the latest such amendment being pursuant to SLA #11), together with accumulated operating cost escalations through and including June 2, 2007 whichever is greater. The rent as thus determined shall be further adjusted in accordance with paragraph 20 of Section B, "Operating Costs" and paragraph 22 of the Rider to the Lease, commencing June 3, 2007.

Unit 2. \$5,325,122.60 or the base annual rent (set forth under paragraph 13 of the Lease, as amended from time to time, the latest such amendment being pursuant to SLA #11), together with accumulated operating cost escalations through and including June 2, 2007 whichever is greater. The rent as thus determined shall

Lessor

Government

2001
to
terminating

Supplemental Lease Agreement #12 of Lease GS-02B-22464 continued.

be further adjusted in accordance with paragraph 20 of Section B, "Operating Costs" and paragraph 22 of the Rider to the Lease, commencing June 3, 2007.

5. The modification to Paragraph 15 of the General Clauses (GSA Form 3517) of the Lease is hereby deleted and the following modification to Paragraph 15 is substituted in lieu thereof:

"In no event shall the Government cure any default by Lessor unless and until it has given notice of such default to Lessor and Lessor shall have failed within a reasonable period of time which shall not be less than thirty (30) days (unless the premises are rendered untenable or unless conditions constituting an imminent danger to life or to valuable Government property makes such period unreasonable) to cure such default or if such default is of a nature that the same cannot (assuming Lessor acts promptly and diligently) be cured within thirty (30) days, shall not have commenced the cure thereof within such 30 day period and shall not thereafter continue the cure thereof diligently to conclusion.

Lessor may at any time in lieu of the right of offset contained in General Clauses Paragraph 15, but in no event later than 60 days following receipt by it from the Government of a notice of default pursuant to the preceding paragraph, deposit with the Government a letter of credit of a bank or other financial institution in the amount of \$750,000. Any such letter of credit shall permit the Government in the event that the Government incurs expenses curing landlord's default in any of its obligations for which the Government would otherwise have a right of offset pursuant hereto, (i) upon presentation of a sight draft to the issuing bank or financial institution, together with a certificate of an authorized representative of the Government referring to the Lease; (ii) stating that the Lessor is in default in an amount as to which Lessee would be entitled to a right of offset against the rent pursuant to paragraph 15 of the Lease, and (iii) specifying in reasonable detail the nature of such default, to draw down upon such letter of credit, from time to time in the amount set forth in any such sight draft. Any such certificate shall be delivered simultaneously to Lessor. Upon the drawing down of all amounts represented by the letter of credit, the Lessor shall be required within 30 days thereafter to replenish such amount by renewing or replacing such letter of credit in the amount of \$750,000. In the event of the failure of the Lessor to replenish such amount as aforesaid, it shall, nevertheless remain liable for any expenses incurred by the Government in curing Lessor's default in any of its obligations for which the Government would be entitled to a right of offset pursuant hereto. Lessor shall not be obligated to replenish any letter of credit unless the expenses of the Government

Supplemental Lease Agreement #12 of Lease GS-02B-22464 continued.

to be incurred in curing such default exceed the amount of the balance remaining in such letter of credit.

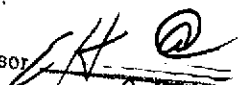

In the event that the Lessor fails to deposit with the Government a letter of credit of a bank or other financial institution or replenish such letter of credit as described herein, the Government shall have the right to offset the rental payments.

The rental provided to be paid in this Lease shall be payable without offset or deduction whatsoever except as provided in Paragraph 15 as modified in this Rider to Paragraph 15 and except as provided in Paragraph 23 of the Rider to the Lease. The Government shall, if requested to do so by any mortgagee or lessor referred to herein, mail copies to such mortgagee or lessor of any notice of default or notice to cure which the Government may be required to give Lessor hereunder.

In the event of any default by Lessor, the Government will not exercise any right to terminate this lease until the Government shall have given written notice of such act or omission to such lessor and to the holder of any mortgage on the fee or the ground lease, and until a reasonable period for remedying such act or omission shall have elapsed following the giving of such notices and following the time when such holder or lessor shall have become entitled under such superior mortgage or superior lease, as the case may be, to remedy the same (which reasonable period shall in no event be less than the period to which Lessor would be entitled under this lease or otherwise, after similar notice, to effect such remedy), during which time such lessor or holder shall have the right, but shall not be obligated, to remedy or cause to be remedied such act or omission. The Government shall not exercise any such right of termination if the holder of any mortgage or such aforesaid lessor commences to cure such aforesaid act or omission within a reasonable time and diligently prosecutes such cure thereafter.

The effective date of the amendment contained in this paragraph shall be the earlier of June 1, 1996 or the date of the refinancing of the current first mortgage made by The Chase Manhattan Bank and encumbering the Premises."

6. A. The Lessor shall proceed with due diligence to perform all capital improvements and complete all alterations and installations (hereinafter referred to as the "Improvements") as set forth in Exhibit #A1 attached to and made a part of this Supplemental Lease Agreement. The General Clauses for the performance of alterations are attached hereto and made a part hereof. The Lessor agrees to complete all improvements described in Exhibit

Lessor 
Government 

Supplemental Lease Agreement #12 of Lease GS-02B-22464 continued.

#A1 as follows: the replacement of the door hardware and closures; the elevator cab upgrade; and the correction of the rattling of ductwork will be completed within fifteen months of the execution of this Supplemental Lease Agreement by the Government; the water proofing (including the exterior fascade work and roof repairs); the replacement of existing overhead doors and operators; the replacement of the existing loading dock door and operator; the improvements to the building entrance doors and surrounding glass; and the improvements to the parking garage will be completed within eighteen months of the execution of this Supplemental Lease Agreement by the Government. Section 5: Carpeting of the "Improvements" will be completed within twenty four months of the execution of this Supplemental Lease Agreement by the Government.

The Lessor agrees to replace the carpet in the Executive Areas on the Seventh and Eighth floors, as shown on floor plans labeled Exhibits B1 and B2 attached hereto, during the eleventh year of the Lease with carpeting of similar quality. The Lessor shall provide the Contracting Officer with a minimum of six (6) color samples. The sample and color must be approved by GSA prior to installation. Once the carpet has been replaced in accordance with Attachment A, the Lessor will be required to clean and maintain the carpet as required under the Lease.

The Lessor is responsible at its sole expense for the disassembling, moving and reassembling of all office furniture associate with the installation of new carpeting.

B. The Lessor agrees to provide a schedule for completion of the "Improvements" within thirty (30) business days after the receipt by Lessor of a counterpart of this Supplemental Lease Agreement executed by the Government.

C. The Lessor and the Government shall cooperate to ensure timely completion of the "Improvements". This includes but is not limited to [REDACTED] assigning all individuals appropriate or necessary to escort the Lessor's contractors and their employees throughout the Leased space affected by the improvements and the Lessor shall endeavor to perform the work without causing adverse effects to the vital mission of [REDACTED].

D. At the option of the Government the Lessor shall replace all of the building's windows with high quality commercial grade windows of the type shown on Exhibit C1 attached hereto provided that the Government exercises this option at any time between June 3, 2001 through June 2, 2002 by written notice to the Lessor. The Government shall have final approval on the style and type of window installed provided the same are chosen from among the styles shown in Section 10 to Exhibit A1 attached hereto. The Lessor shall provide a "mock-up" of the window styles shown in Section 10 to Exhibit A1 to facilitate the Government's selection. The Lessor shall perform this work within eighteen months from the date of the written notice from the Government. If the Government exercises this option, the



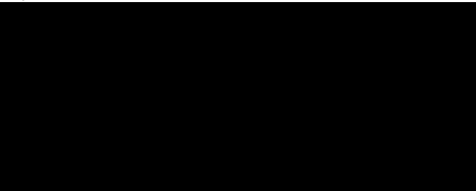
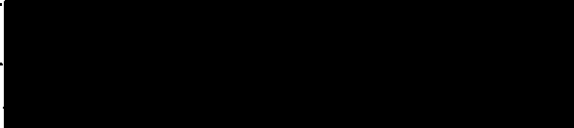
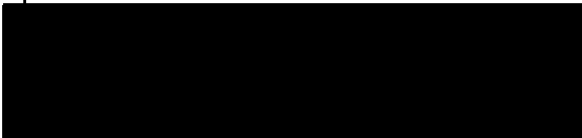
Supplemental Lease Agreement #12 of Lease GS-02B-22464 continued.

annual rent for years eleven through twenty, as specified in Paragraph 4 of this Supplemental Lease Agreement automatically shall be increased by \$50,000.00, and this rental increase shall be apportioned between Unit 1 and Unit 2 accordingly. The increase in annual rental as set forth in this paragraph shall commence upon completion of the installation of the new windows to the satisfaction of the Government and shall be retro-active to June 3, 2001.

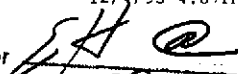
7. The Executed Certificate of Procurement Integrity - Modification is attached and made a part of this Supplemental Lease Agreement.

8. Except as modified by this Supplemental Lease Agreement, all other terms and conditions of the Lease remain in full force and in effect. In the event that any terms and conditions of this Supplemental Lease Agreement conflict with the terms and conditions of the Lease and/or prior Supplemental Lease Agreements, the terms and conditions of this Supplemental Lease Agreement shall control and govern.

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

LESSOR Able Empire Group	
By Belz Associates	
	
(Signature)	(Signature)
	
	(Address)
	FEDERAL SERVICES ADMINISTRATION
	Contracting Officer
	(Official Title)

9.

12/4/95 4:07PM
Lessor 
Government 