

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

MARCH 23, 2010

LEASE NO. GS-02B-23751

BUILDING NO. NY7503ZZ

THIS LEASE, made and entered into this date by and between **METROTECH LLC. I**

whose address is 4611 12TH Avenue
Brooklyn, NY 11219-2539

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:

12,000 rentable square feet of office space consisting of 10,500 ANSI/BOMA office area square feet on the 1st floor of the building known as BellTel Lofts located at 365 Bridge Street, Brooklyn, NY 11201-3807 (the "Building"), in accordance with the attached drawings indicating the leased premises and labeled Exhibit "A" attached hereto and made a part hereof to be used as a child care center.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

_____ through _____, subject to termination and renewal rights as may be hereinafter set forth.

SEE PARAGRAPH 9 OF THE RIDER attached hereto and made part hereof (the "Rider").

3. The Government shall pay the Lessor annual rent of \$ _____

at the rate of \$ _____ per _____ in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

SEE PARAGRAPH 11 OF THE RIDER

4. The Government may not terminate this Lease during the initial term or any renewal period.

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

The first five (5) year renewal will be at the annual rent of \$940,000.00 at a rate of \$78,333.33 per month in arrears. There will be no operating cost escalations during this period. The second five (5) year renewal will be at the annual rent of \$1,019,000.00 at a rate of \$84,916.67 per month in arrears. There will be no operating cost escalations during this period. The annual rent during each renewal term will be adjusted to reflect 33% of the current BID Tax for the retail portion of the building. This number will be increased by 1.10 since the Lessor shall not be entitled to receive annual adjustments.

Notice for these two renewal options must be given in writing to the Lessor at least 180 days before the end of the original lease term or any renewal term respectively; 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:

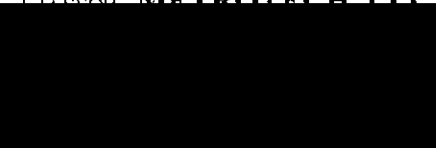
SEE RIDER

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

SEE RIDER

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

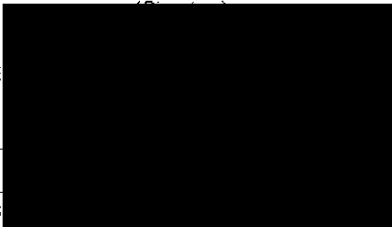
LESSOR METROTECH LLC I



3/23/10

(Title)

IN PRESE



4611-12 AVE Brooklyn NY 11219

(Address)

UNITED STATES SERVICES ADMINISTRATION



Contracting Officer

(Official title)

RIDER TO LEASE NO. GS-02B-23751

8. The following are attached hereto and made a part hereof:
- a. Lease Rider, containing paragraphs 8 through 22;
 - b. Section 1.0 Summary, paragraphs 1.1 through 1.4;
 - c. Section 2.0, How to Offer and Submittal Requirements, paragraph 2.1 through 2.2;
 - d. Section 3.0 Utilities, Services, and Lease Administration, paragraphs 3.1 through 3.11;
 - e. Section 4.0, Design, Construction, and Other Post Award Services, paragraphs 4.1 through 4.11;
 - f. Section 5.0, General Architecture, paragraphs 5.1 through 5.10;
 - g. Section 6.0, Architectural Finishes, paragraphs 6.1 through 6.13;
 - h. Section 7.0, Mechanical, Electrical, Plumbing, paragraphs 7.1 through 7.18;
 - i. Section 8.0, Fire Protection, Life Safety, and Environmental Issues, paragraphs 8.1 through 8.11;
 - j. Section 9.0, Lease Security Standards, paragraphs 9.1 through 9.16;
 - k. Section 10.0, Special Requirements, paragraphs 10.1 through 10.6;
 - l. Attachment "A" Cleaning Requirements (8 pages);
 - m. Attachment "B" Child Care Center Design Guide (154 pages);
 - n. Attachment "C" Space Program (1 page);
 - o. Attachment "D" Licensing Requirements (66 pages);
 - p. Attachment "E" Requirements for Operating and Maintaining the Facility (42 pages);
 - q. Attachment "F" Additional Maintenance and Testing Requirements (3 pages);
 - r. General Clauses, GSA Form 3517B, paragraphs 1 through 48;
 - s. Representations and Certifications, GSA Form 3518, paragraphs 1 through 11;
 - t. Exhibit "A" Demised Premises (3 pages);
 - u. Exhibit "B" Security Recommendations (1 page);
 - v. Exhibit "C" Seismic Memo (1 page).
9. The term of this Lease shall commence upon execution and shall run for a period of ten (10) years from the Rent Commencement Date. The Rent Commencement Date shall occur upon Substantial Completion (defined below) of all alterations that will be specified in the construction documents and shall be more particularly set forth by a Supplemental Lease Agreement. However, in no event shall the Rent Commencement Date occur prior to October 1, 2010.
10. The Tenant Improvements ("TI") shall include all work necessary to prepare the premises for Tenant's use and occupancy as set forth herein. The Lessor agrees to contribute a TI Allowance of \$636,720.00 towards the cost of TI work. 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 will be amortized over the 10-year term of the Lease together with interest at a rate of 6.00% per annum (\$84,826.77 per annum). If the TI cost exceeds \$636,720.00 then the Government shall have the option to either (i) pay the Lessor the difference between \$636,720.00 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 (ii) reduce the Tenant Improvement requirements. In the event the TI cost is less than \$636,720.00, 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 rent of \$948,826.77 at a rate of approximately \$79,068.90 per month in arrears; which includes \$84,826.77 per annum for the amortization of the Lessor's contribution to the TI cost. This annual rental shall be subject to adjustment as set forth in Paragraph 10 above. There will be no operating cost escalations calculated for this lease.

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Rent for a period of less than one month shall be prorated. Rent shall be made payable to:

Metrotech LLC, I
4611 12th Avenue
Brooklyn, NY 11219

12. As part of the annual base rental rate set forth in paragraph No. 11 above and at no additional cost to the Government, the Lessor shall provide and/or install any Building Shell modifications required in order to comply with the requirements of paragraph 1.5 and other paragraphs where Building Shell is specifically designated in the lease, including but not limited to:
 - Modify the main entrance so that it complies with ABAAS;
 - Restore/modify the iron gates so they remain open as long as they meet all fire and life safety codes;
 - Remove all doors not being used from the fire egress in Space "B";
 - File for a new certificate of occupancy to change the use of the premises;
 - All work necessary to comply with the requirements for seismic compliance as described in Exhibit "C";
 - a) In the event the Lessor shall be required to install a reinforced wall along the exterior walls the Government shall contribute 50% of the cost which shall be considered a Tenant Improvement and shall be amortized in the rent.
 - Abate the lead paint and asbestos within the premises. Lessor shall provide the Government with the abatement design as well as project monitoring and sample analysis reports for the abatement projects.
13. HVAC services during Normal Hours, as defined in paragraph 3.4 of the Lease, cleaning and maintenance of the premises, and utility costs for the common areas of the Building are included in the rental consideration. Except as otherwise provided herein, services, utilities, HVAC and maintenance shall be provided by the Lessor in accordance with the specifications in this Lease at no additional cost to the Government.
14. The Lessor shall provide separate, submeters at no cost to the Government in accordance with Paragraph 3.6 entitled "Utilities Separate From Rental/Building Operating Plan (AUG 2008)" for electric and gas usage of the Government's leased premises only and shall not include the common areas of the premises. Lessor's charges to the Government for the Government's consumption of electricity and gas shall be billed by the Lessor from time-to-time (but not more frequently than monthly), at the then applicable utility rate(s) for electricity and gas, plus any taxes and charges incurred by the Lessor that are associated with having a third party take the meter readings.
15. During the development of the design and once the mechanical systems have been clearly defined additional asbestos and lead surveys may be required at the Lessor's sole expense. If additional areas are found to have lead or asbestos the Lessor agrees to abate such hazardous materials at its sole cost.
16. The Lessor shall be entitled to a project management fee in the amount of 5% of the construction costs. This fee will be applicable to the hard costs only and shall not include any soft costs or markups.
17. In the event the Government can provide the tenants of the BellTel Lofts the first right to a minimum of 20 vacant spots within the child care facility then the Government shall receive a rent credit in the amount of \$50,000.00 per annum during the initial term or any renewal term.
18. 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,

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they shall be deemed to mean "leased premises", "premises" or "Premises", and wherever the word "Lessee" is used herein it shall be deemed to mean the "Government".

19. Each employee of the Lessor and/or its contractor(s) employed in connection with the operation of the Building 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.
20. The Lessor shall not be reimbursed for, nor shall the Lessor be obligated to provide, any services not expressly provided for in the Lease including, but not limited to, repairs and alterations, nor will any rent 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.
21. This Lease shall not be binding on either party until it has been executed by a duly authorized official of the General Services Administration.
22. For the purposes of this Lease, Substantial Completion shall mean that the demised premises are sufficiently complete so that the Government can occupy and use the demised premises for the uses intended by this Lease. Upon acceptance of the Leased Premises as Substantially Complete, the Government shall prepare a "punch list" setting forth all items not essential to Substantial Completion (e.g. minor details of construction and mechanical adjustment) and which are not yet complete. The Lessor shall complete all punch list items within 30 days of receipt of said punch list except for items that cannot be completed during that time. In this instance Lessor shall provide the Government with a list of items that cannot be completed within 30 days and the length of time it will take to complete along with a reason why these items cannot be completed within 30 days.

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