

# US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

*December 15, 2010*

LEASE NO. GS-02B-23814 / BUILDING NO. NY7519

THIS LEASE, made and entered into this date by and between **1025 GROUP, LLC**

whose address is: 295 Main Street, Suite 210, Buffalo, NY 14203-2412

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:

Ten thousand one hundred fifty-six (10,156) rentable square feet (RSF) yielding nine thousand four hundred two (9,402) ANSI/BOMA Office Area square feet, of office and related space on the first (1<sup>st</sup>) floor of the building known and designated as 3901 Genesee Street, Cheektowaga, New York 14225-1944 ("Building"), as shown on the floor plan labeled "Attachment A" attached hereto and made a part hereof; together with the right by the Government to use five (5) secured, reserved parking spaces as well as twenty-nine (29) surface parking spaces located at the Building, as shown on the plan labeled "Attachment B" attached hereto and made a part hereof (together known as the "Premises").

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 11**

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:~~

RECEIVED  
2010 DEC -8 AM 11:14

IN WITNESS whereunto have hereunto subscribed their names as of the date first above written.

LESSOR  
1025 Group, LLC

BY  
IN PRESENCE OF

[Redacted signature area]

*Manager*  
(Title)  
*295 Main Street, Ste 210 Bklo*  
(Address)  
*NY 14203*

UNITED STATES

BY

[Redacted signature area]

Contracting Officer, General Services Administration  
(Official Title)

*WNS*

**RIDER TO LEASE No: GS-02B-23814**

6. The following are attached and made a part hereof:
- a) Rider To Lease, containing Paragraphs 6 through 24;
  - b) Section 1.0, Summary, paragraphs 1.1 through 1.13;
  - c) Section 2.0, Award Factors and Price Evaluation, paragraphs 2.1 through 2.5;
  - d) Section 3.0, How to Offer and Submittal Requirements, paragraphs 3.1 through 3.7;
  - e) Section 4.0, Utilities, Services and Lease Administration, paragraph 4.1 through 4.13;
  - f) Section 5.0, Design, Construction and Other Post Award Activities, paragraph 5.1 through 5.16;
  - g) Section 6.0, General Architecture, paragraphs 6.1 through 6.13;
  - h) Section 7.0, Architectural Finishes, paragraphs 7.1 through 7.14;
  - i) Section 8.0, Mechanical, Electrical, Plumbing, paragraphs 8.1 through 8.19;
  - j) Section 9.0, Fire Protection, Life Safety and Environmental Issues, paragraphs 9.1 through 9.12;
  - k) Section 10.0, Lease Security Standards, paragraphs 10.1 to 10.18;
  - l) Section 11.0, Special Requirements, paragraph 11.1;
  - m) Exhibit "A," Unique Requirements for C-TPAT Buffalo, New York, pages 1-17;
  - n) Exhibit "B," LAN Requirements, pages 1 - 10;
  - o) General Clauses, GSA Form 3517B, paragraphs 1 through 48;
  - p) Representations and Certifications, GSA Form 3518, paragraphs 1 through 11;
  - q) Attachment "A," first (1<sup>st</sup>) floor plan depicting the demised premises;
  - r) Attachment "B," diagram depicting the parking area.
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 eighty (80) working days after receiving the Tenant Improvement Notice to Proceed from the Government, as set forth in paragraph 5.12(F) of the SFO to this lease.
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, subject to the termination right set forth below. The Commencement Date of the Lease shall be more particularly set forth in a Supplemental Lease Agreement (SLA) to this lease.
9. The Government shall have the right to terminate this Lease in whole or in part following the fifth (5<sup>th</sup>) anniversary of the lease by giving at least 90 days prior notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Should the Government exercise this right, it shall not be required to pay the Lessor any unamortized balance of the Tenant Improvement Allowance (referenced below) effective the date of such termination.
10. The Lessor shall contribute a Tenant Improvement (hereinafter "TI") Allowance of \$45.45 per ANSI/ BOMA Office Area square foot (USF), or \$427,320.90, 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 ten (10) year term of the lease at an interest rate of 5.25% per annum (\$5.42 per RSF per annum). If the TI cost exceeds the Tenant Improvement Allowance of \$427,320.90, 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 -\$427,320.90 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 \$427,320.90, 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 fully-serviced lease, as follows:

For years 1 through 10 of the lease term, a total annual rental of \$236,098.26 per annum at the rate of \$19,674.86 per month in arrears; which annual rental includes \$55,017.58 per annum for the amortization of the Lessor's contribution to the TI cost plus annual operating cost escalations referenced in Paragraph 14 below. This annual rental shall be subject to adjustment as set forth in paragraphs 9 and 10 of this Rider above and paragraphs 4.3 and 4.4 of the SFO herein. Rent for a lesser period shall be prorated.

INITIALS: uap & Sw  
LESSOR                      GOVERNMENT

The annual rental includes the cost for five (5) reserved and twenty-nine (29) surface parking spaces. The Lessor shall secure the five (5) reserved parking spaces in accordance with the *Parking Security Requirements* set forth in Paragraph 10.16 of the SFO.

12. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the years one (1) through five (5) of the firm term value of this lease consisting of the shell rate, base year operating expenses and amortization of tenant improvements less the commission credit to the tenant. Lessor shall pay the Broker no additional commissions associated with this lease transaction. The total amount of the commission is [REDACTED]. In accordance with the "Broker Commission and Commission Credit" paragraph 2.3, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The commission, as adjusted for any rent reduction due to the unused portion of the T1, will be paid upon the earlier of the Government's occupancy of the Leased Premises or the commencement date of the Lease. 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 \$19,674.86, of which \$11,450.89 is shell rent, minus Commission Credit of [REDACTED] equals [REDACTED] adjusted first month's rent;

Second month's rental payment of \$19,674.86, of which \$11,450.89 is shell rent, minus 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 15.41% of the rentable area of the Building.
14. For the purposes of the Operating Cost Escalation pursuant to SFO Section 4.3 Operating Costs of the Lease, the base rate shall be \$43,670.00 per annum.
15. Pursuant to SFO Section 4.6, Overtime Usage, the overtime rate for heating and air conditioning (HVAC) shall be \$20.00 per hour.
16. The common area factor is established as 1.0802 (10,156 RSF / 9,402 USF).
17. In accordance with the SFO paragraph 4.4 entitled *Adjustment for Vacant Premises*, the adjustment is established as \$2.50 per USF for vacant space.
18. 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.
19. 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.
20. 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 effect his/her immigration status.
21. If during the term of the Lease, including extension, the title to this property is transferred to another person by either sale, foreclosures, 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.

INITIALS: ewj & SW  
LESSOR & GOVERNMENT

- 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

- 22. 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.
- 23. 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.
- 24. 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.

INITIALS: WJA & SW  
LESSOR / GOVERNMENT