

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

August 22, 2013

LEASE NO.

GS-02B-24054

THIS LEASE, made and entered into this date by and between **Park Centre Development, Inc.**

whose address is One Blue Bird Square
Olean, NY 14760-2552

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:

7,575 rentable square feet (RSF) / 7,243 ANSI BOMA office area square feet (ABOASF) of office and related space located on the 1st floor of the building known and designated as Blue Bird Square, 135 North Union Street, Olean, NY 14760-2552 in accordance with the demising plan labeled Exhibit "A" attached hereto and made a part hereof, to be used for office and related purposes together with 50 employee/visitor parking spaces located on-site and in adjacent employee parking lot.

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

SEE PARAGRAPH 9 OF THE RIDER TO THIS LEASE

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

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

~~\$ _____~~

SEE PARAGRAPH 14 OF THE RIDER TO THIS LEASE

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

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

SEE PARAGRAPH 16 OF THE RIDER TO THIS LEASE

- ~~4. The Government may terminate this lease at any time by giving at least _____ days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.~~

SEE PARAGRAPH 10 OF THE RIDER TO THIS LEASE

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

~~provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term or any renewal term; 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:

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7. The following are attached and made a part hereof:
The General Provisions and Instructions (Standard Form 2 - A _____ edition).

SEE PARAGRAPH 7 OF THE RIDER TO THIS LEASE

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

LESSOR: Park Centre Development, Inc.

BY PARK CENTRE DEV. CO., INC.
(Signature)

[Redacted Signature] (Signature)

IN PRESENCE OF:

(Signature)

(Address)

UNITED STATES OF AMERICA - GENERAL SERVICES ADMINISTRATION

BY [Redacted Signature] (Signature)

Contracting Officer
(Official title)

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7. The following are attached hereto and made a part hereof:
- a. Lease Rider, Paragraphs 7 through 35;
 - b. Section 1: Summary, Paragraphs 1.2, 1.5, 1.6, 1.11, 1.12;
 - c. Section 2: Award Factors and Price Evaluation, Paragraph 2.2, 2.4;
 - d. Section 3: How to Offer and Submittal Requirements, Paragraphs 3.2, 3.3, 3.5 through 3.7;
 - e. Section 4: Utilities, Services and Lease Administration, Paragraphs 4.1 through 4.13;
 - f. Section 5: Design, Construction, and Other Post Award Activities, Paragraphs 5.1 through 5.16;
 - g. Section 6: General Architecture, Paragraphs 6.1 through 6.12;
 - h. Section 7: Architectural Finishes, Paragraphs 7.1 through 7.14;
 - i. Section 8: Mechanical, Electrical, Plumbing, Paragraphs 8.1 through 8.18;
 - j. Section 9: Fire Protection, Life Safety, and Environmental Issues, Paragraphs 9.1 through 9.12;
 - k. Section 10: Lease Security Standards, Paragraphs 10.1 through 10.18;
 - l. Section 11: Special Requirements: Attachments referenced in Paragraphs 11.1 (92 Pages);
 - m. SFO Amendment Number 1
 - n. General Clauses - GSA Form 3517B, Paragraphs 1 through 48;
 - o. Representations & Certifications - GSA Form 3518, Paragraphs 1 through 11;
 - p. Demising Floor Plans, Exhibit "A";
 - q. Design Intent Drawing, Exhibit "B" (*to be provided*)
8. 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 the 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 "Leased Premises."
9. The term of this Lease shall commence upon substantial completion and acceptance by the Government of all alterations specified in this Lease and run for a period of 10 years, 5 years firm, thereafter, subject to the termination rights as set forth below. The commencement date of the Lease shall be more particularly set forth in a Lease Amendment (LA) to this Lease, executed by both the Lessor and the Government.
10. The Government may terminate this Lease in whole or in parts at any time by providing at least 120 days written notice to the Lessor after the 5th year of the Lease and no rental shall accrue after the date of termination. Said notice shall be computed commencing the day after the date of mailing.
11. The Lessor agrees to proceed with due diligence to provide all labor and materials necessary to perform all alterations and installations in accordance with this Rider, Sections 1 through 11 of this Lease, its Attachments, the Government's approved

design intent drawings and the Government's electrical and data cabling plan and specifications (also known as "the SmithGroup Drawings") (to be provided by the Government) and to deliver the space ready for occupancy within 60 working days from the Government's issuance of the Notice to Proceed (NTP) in accordance with Paragraph 5.12 of this Lease.

12. The space leased to the Government must contain the required ANSI/BOMA office area square feet (ABOASF) specified in Paragraph 1 of the SF2 of this Lease. In no event shall the Government pay for more than 7,243 ANSI/BOMA (ABOASF) office area square feet of office space.
13. The Lessor agrees to contribute a tenant improvement (TI) allowance of \$312,740.14 in accordance with the provisions of Paragraph 3.2 of the SFO portion of this Lease. The TI cost of \$312,740.14 will be amortized over the 5 year firm term compounded at an interest rate of 1.00% per annum. In the event the balance of the TI cost is less than \$312,740.14 it is understood that the actual TI cost balance will be amortized in the annual rent in the same manner as set forth herein. The Lessor further agrees that,
- A. General Conditions will not exceed 2.00% of total subcontractor costs;
 - B. General Contractor fees will not exceed 5.00% of total subcontractor costs;
 - C. Architectural/Engineering fees will not exceed a flat rate fee of \$15,000.00; and
 - D. Lessor's Project Management fees will not exceed 3.00% of total subcontractor costs.

14. The Government shall pay the Lessor annual rental as follows:

For years 1 through 5 of the lease term, a total annual rental rate of \$34.24 RSF / \$35.81 ABOASF for a total of \$259,368.00 per annum at the rate of \$21,614.00 per month in arrears as adjusted by operating cost escalations in accordance with Paragraph 4.3 of this Lease; provided, however, that the monthly rent shall be reduced in accordance with the schedule of adjusted monthly rent outlined in Paragraph 15 below. Years 1 through 5 annual rent includes \$8.47 RSF / \$8.86 ABOASF (\$64,150.81 per annum) for the amortization of the TI allowance as described in Paragraph 13 above.

For years 6 through 10 of the lease term, a total annual rental rate of \$25.77 RSF / \$26.95 ABOASF for a total of \$195,207.75 per annum at the rate of \$16,267.31 per month in arrears as adjusted by operating cost escalations in accordance with Paragraph 4.3 of this Lease.

15. CBRE and its subcontractors John Burweger and the Crown Partnership, Inc. (the Broker) is the authorized real estate broker representing the Government in connection with this lease transaction. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the "Aggregate Lease Value" for the

initial firm term of this Lease. The Aggregate Lease Value is defined as the full service rental to be paid by Tenant for the initial firm term of the Lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with Paragraph 2.4, "Broker Commission and Commission Credit" of this Lease, 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 Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with Paragraph 2.4, "Broker Commission and Commission Credit" [REDACTED] of the commission shall be due upon the execution of the Lease, and the remaining [REDACTED] shall be due at the lease commencement. The Commission less the Commission Credit is [REDACTED]

The shell rental portion of the annual rental payments due and owing under Paragraph 14 of this Rider shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first months of the rental payments and continue through the third month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

First Month's Rental Payment \$21,614.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$21,614.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$21,614.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

16. Rent shall be paid monthly by the Government, in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to Park Centre Development, Inc., One Blue Bird Square, Olean, NY 14760-2552.
17. For the purposes of operating cost escalations, in accordance with Paragraph 4.3 of this Lease, the base for operating cost adjustments is \$54,564.00 (\$7.20 RSF / \$7.53 ABOASF) which includes the cost of utilities for natural gas and electric.
18. For the purposes of Adjustment for Vacant Premises, in accordance with Paragraph 4.4 of this Lease, the rent shall be reduced by \$2.50/ABOASF.
19. For the purposes of tax adjustments, in accordance with Paragraph 4.2 of this Lease, the Government's percentage of occupancy is 25.00% of the building.

20. The Government shall pay an overtime charge of \$15.00 per hour for the use of HVAC services after the Government's normal working hours, however, there is no overtime charge for rooms requiring 24/7 HVAC services.
21. 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 the construction of the leased premises as required by this Lease.
22. Each employee of the Lessor and/or its contractor(s) 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.
23. 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.
24. 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.
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 can't be provided, a written explanation must be provided to the Government on the next business day.
26. The Government shall have 24-hour/7-day access to the leased premises.
27. The Lessor shall have a locally designated representative available to promptly respond to deficiencies and immediately address all emergency situations.
28. As part of the rental consideration, the Government shall have the right to install a satellite dish and/or antenna on the roof of the building.

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29. The Lessor shall install and maintain 10 lbs. ABC multipurpose fire extinguishers throughout the leased premises at such locations that the maximum traveled distance between extinguishers is 50 feet. A sign shall be placed above the extinguisher so its location is apparent from a distance. The Lessor shall insure that the leased premises complies with all applicable fire and safety provisions.
30. The Lessor shall provide and install drinking fountains adjacent to the public and employee toilet rooms, all of which shall meet ABAAS standards pursuant to Paragraph 6.1 of the Lease.
31. As part of the rental consideration, the Lessor shall provide, install and maintain exterior signage that clearly identifies the location to the public.
32. The Lessor shall comply with all applicable standards and codes including but not limited to section 7.2.1.6.2 of NFPA 101 and the Building Code of New York State.
33. In the event of any conflict or inconsistency between the SFO, the Lease Rider and approved construction drawings it is agreed that the Lease Rider and the approved construction drawings shall control and govern.
34. The Lease shall not be binding on either party until executed by a duly authorized official of the General Services Administration.
35. Prior to occupancy and at no additional cost to the Government, the Lessor shall use best 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 Web site at <http://www.energystar.gov/eslabel>.

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