

DRAFT



Lease

NY TRIBOROUGH STATION - RETAIL STATION (359623-001)
167 East 124th St., NEW YORK, NY 10035-1750



Facility Name/Location
NY TRIBOROUGH STATION - RETAIL STATION (359623-001)
167 East 124th St., NEW YORK, NY 10035-1750

County:New York
Lease:Q90000428647

This Lease made and entered into by and between TO BE DETERMINED hereinafter called the Landlord, and the United States Postal Service, hereinafter called the Postal Service:

In consideration of the mutual promises set forth and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the parties covenant and agree as follows:

1. The Landlord hereby leases to the Postal Service and the Postal Service leases from the Landlord the following premises, hereinafter legally described in paragraph 7, in accordance with the terms and conditions described herein and contained in the 'General Conditions to U.S. Postal Service Lease,' attached hereto and made a part hereof.

Upon which is a multi-tenant, brick/block building and which property contains areas, spaces, improvements, and appurtenances as follows:

AREA	SQ. FEET
Gross Total USPS Leased SF	4,298

See Exhibit B

Total Site Area: 10,100.00

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the following term:
FIXED TERM: ~~The term becomes effective January 01, 2015 with an expiration date of December 31, 2024, for a total of 10 Years.~~ **SEE ADDENDUM ITEM #8**

3. RENTAL: The Postal Service will pay the Landlord an annual rental of: \$171,920.00 (One Hundred Seventy One Thousand Nine Hundred Twenty and 00/100 Dollars) payable in equal installments at the end of each calendar month. Rent for a part of a month will be prorated.

Rent checks shall be payable to:

4. RENEWAL OPTIONS: The Lease may be renewed at the option of the Postal Service, for the following separate and consecutive terms and at the following annual rentals:

EFFECTIVE DATE	EXPIRATION DATE	PER ANNUM RENTAL
01/01/2025	12/31/2029	Market Value
01/01/2030	12/31/2034	Market Value

provided that notice is sent, in writing, to the Landlord at least 180 days before the end of the original lease term and each renewal term. All other terms and conditions of this Lease will remain the same during any renewal term unless stated otherwise herein.

See Attached Renewal Option Rider (Market Value)

5. OTHER PROVISIONS: The following additional provisions, modifications, riders, layouts, and/or forms were agreed upon prior to execution and made a part hereof:
Utilities Services & Equipment Rider, Maintenance Rider - USPS Responsibility, Percentage Reimbursement of Paid Taxes Rider, Mortgagee's Agreement, Renewal Option Rider (Market Value).

6. TERMINATION:
The Postal Service may terminate this Lease at any time after year 5 by giving 180 days written notice to the Landlord.

7. LEGAL DESCRIPTION:
SEE EXHIBIT A

Facility Name/Location
NY TRIBOROUGH STATION - RETAIL STATION (359623-001)
167 East 124th St., NEW YORK, NY 10035-1750

County: New York
Lease: Q90000428647

This Addendum is annexed to and made a part of that certain Lease between the United States Postal Service and _____ (the "Lease"). Terms used in this Addendum and not defined herein have the meanings given to them in the Lease, or in the Agreement of Purchase and Sale, dated _____, 2014. If there is any conflict or ambiguity between any terms of the Lease, Agreement or Addendum, the terms of this Addendum shall control.

(8) Page 1 Paragraph 2 of the Lease is modified with the following:

The Lease Term shall be ten (10) years. The Lease shall commence on the date the USPS completes its move into its New Space, and terminates ten (10) years thereafter, subject to termination rights in Paragraph 6 of the Lease.

(9) Landlord acknowledges that the Postal Service does not routinely purchase commercial insurance or maintain a separate account for potential claims, as is required to technically be considered "self-insured". Rather, the Postal Service is authorized to pay proper claims against it out of its general revenue fund and available credit, and is subject to suit for damages. Liability claims against the Postal Service are governed by the Federal Tort Claims Act, 39 U.S.C. Section 409(c), with specific provisions being set forth at 28 U.S.C. Sections 1346(b), 2401(b), and 2671-2680. With respect to the issue of Workers' Compensation coverage, pursuant to 39 U.S.C. Section 1005(c), the Federal Employees' Compensation Act ("FECA"), 5 U.S.C. Sections 8801 et seq., is the exclusive remedy for all postal employees who sustain personal injuries on the job. While the Landlord is hereby waiving its standard insurance requirements for the Postal Service, if at any time the Postal Service assigns or subleases any portion of the demised premises in accordance with the terms of this Lease to a non-governmental entity, Landlord may impose its standard insurance requirements on the assignee and/or subtenant.



General Conditions to USPS Lease

1. CHOICE OF LAW

This Lease shall be governed by federal law.

2. RECORDING

Not Required

3. MORTGAGEE'S AGREEMENT

If there is now or will be a mortgage on the property which is or will be recorded prior to the recording of the Lease, the Landlord must notify the contracting officer of the facts concerning such mortgage and, unless in his sole discretion the contracting officer waives the requirement, the Landlord must furnish a Mortgagee's Agreement, which will consent to this Lease and shall provide that, in the event of foreclosure, mortgagee, successors, and assigns shall cause such foreclosures to be subject to the Lease.

4. ASSIGNMENTS

a. The terms and provisions of this Lease and the conditions herein are binding on the Landlord and the Postal Service, and all heirs, executors, administrators, successors, and assigns.

b. If this contract provides for payments aggregating \$10,000 or more, claims for monies due or to become due from the Postal Service under it may be assigned to a bank, trust company, or other financing institution, including any federal lending agency, and may thereafter be further assigned and reassigned to any such institution. Any assignment or reassignment must cover all amounts payable and must not be made to more than one party, except that assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in financing this contract. No assignment or reassignment will be recognized as valid and binding upon the Postal Service unless a written notice of the assignment or reassignment, together with a true copy of the instrument of assignment, is filed with:

1. the contracting officer; and
2. the surety or sureties upon any bond.

c. Assignment of this contract or any interest in this contract other than in accordance with the provisions of this clause will be grounds for termination of the contract for default at the option of the Postal Service.

d. Nothing contained herein shall be construed so as to prohibit transfer of ownership of the demised premises, provided that:

1. such transfer is subject to this Lease agreement; and
2. both the original Landlord and the successor Landlord execute the standard *Certificate of Transfer of Title to Leased Property and Lease Assignment and Assumption* form to be provided by the USPS Contracting Officer; and in the case of new leased space projects, the lease may only be assigned or ownership of the property transferred following commencement of the fixed term, unless prior written consent is obtained from the Postal Service.

5. APPLICABLE CODES AND ORDINANCES

The Landlord, as part of the rental consideration, agrees to comply with all codes and ordinances applicable to the ownership and operation of the building in which the rented space is situated and to obtain all necessary permits and related items at no cost to the Postal Service. When the Postal Service or one of its contractors (other than the Landlord) is performing work at the premises, the Postal Service will be responsible for obtaining all necessary and applicable permits, related items, and associated costs.

6. SUBLEASE

The Postal Service may sublet all or any part of the premises or assign this lease but shall not be relieved from any obligation under this lease by reason of any subletting or assignment.

7. RESTORATION AND ALTERATIONS

a. Upon written notification by Landlord within 30 days of the expiration or termination of this Lease, the Postal Service shall restore the premises to a "broom clean" and usable condition, excepting the following: reasonable and ordinary wear and tear; and damages by the elements or by circumstances over which the Postal Service has no control. If Landlord provides the above notice, the Postal Service and Landlord shall negotiate and reach agreement on necessary items of restoration and the reasonable cost for restoration; the Postal Service shall pay Landlord this agreed-upon amount and shall have no further restoration duties under this Lease.

b. The Postal Service shall have the right to make alterations, attach fixtures and erect additions, structures or signs in or upon the premises hereby leased (provided such alterations, additions, structures, or signs shall not be detrimental to or inconsistent with the rights granted to other tenants on the property or in the building in which said premises are located); which fixtures, additions or structures so placed in, upon or attached to the said premises shall be and remain the property of the Postal Service and may be removed or otherwise disposed of by the Postal Service.

8. CLAIMS AND DISPUTES

- a. This contract is subject to the Contract Disputes Act of 1978 (41 U.S.C. 601-613) ("the Act").
- b. Except as provided in the Act, all disputes arising under or relating to this contract must be resolved under this clause.
- c. "Claim," as used in this clause, means a written demand or written assertion by one of the contracting parties seeking, as a matter of right, the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other relief arising under or relating to this contract. However, a written demand or written assertion by the Landlord seeking the payment of money exceeding \$100,000 is not a claim under the Act until certified as required by subparagraph d below. A voucher, invoice, or other routine request for payment that is not in dispute when submitted is not a claim under the Act. The submission may be converted to a claim under the Act by complying with the submission and certification requirements of this clause, if it is disputed either as to liability or amount or is not acted upon in a reasonable time.

d. A claim by the Landlord must be made in writing and submitted to the contracting officer for a written decision. A claim by the Postal Service against the Landlord is subject to a written decision by the contracting officer. For Landlord claims exceeding \$100,000, the Landlord must submit with the claim the following certification:

"I certify that the claim is made in good faith, that the supporting data are accurate and complete to the best of my knowledge and belief, that the amount requested accurately reflects the contract adjustment for which the Landlord believes the Postal Service is liable, and that I am duly authorized to certify the claim on behalf of the Landlord."

The certification may be executed by any person duly authorized to bind the Landlord with respect to the claim.

- e. For Landlord claims of \$100,000 or less, the contracting officer must, if requested in writing by the Landlord, render a decision within 60 days of the request. For Landlord-certified claims over \$100,000, the contracting officer must, within 60 days, decide the claim or notify the Landlord of the date by which the decision will be made.
- f. The contracting officer's decision is final unless the Landlord appeals or files a suit as provided in the Act.
- g. When a claim is submitted by or against a Landlord, the parties by mutual consent may agree to use an alternative dispute resolution (ADR) process to assist in resolving the claim. A certification as described in subparagraph d of this clause must be provided for any claim, regardless of dollar amount, before ADR is used.
- h. The Postal Service will pay interest on the amount found due and unpaid from:
1. the date the contracting officer receives the claim (properly certified if required); or
 2. the date payment otherwise would be due, if that date is later, until the date of payment.
- i. Simple interest on claims will be paid at a rate determined in accordance with the Act.
- j. The Landlord must proceed diligently with performance of this contract, pending final resolution of any request for relief, claim, appeal, or action arising under the contract, and comply with any decision of the contracting officer.

9. HAZARDOUS/TOXIC CONDITIONS CLAUSE

"Asbestos containing building material" (ACBM) means any material containing more than 1% asbestos as determined by using the method specified in 40 CFR Part 763, Subpart E, Appendix E. "Friable asbestos material" means any ACBM that when dry, can be crumbled, pulverized, or reduced to powder by hand pressure.

The Landlord must identify and disclose the presence, location and quantity of all ACBM or presumed asbestos containing material (PACM) which includes all thermal system insulation, sprayed on and troweled on surfacing materials, and asphalt and vinyl flooring material unless such material has been tested and identified as non-ACBM. The Landlord agrees to disclose, to the best of its knowledge, any information concerning the presence of lead-based paint, radon above 4 pCi/L, and lead piping or solder in drinking water systems in the building, to the Postal Service.

Sites cannot have any contaminated soil or water above applicable federal, state or local action levels or undisclosed underground storage tanks. Unless due to the act or negligence of the Postal Service, if contaminated soil, water, underground storage tanks or piping or friable asbestos material or any other hazardous/toxic materials or substances as defined by applicable Local, State or Federal law are subsequently identified on the premises, the Landlord agrees to remove such materials or substances upon notification by the Postal Service at Landlord's sole cost and expense in accordance with EPA and/or State guidelines; prior to accomplishing this task, Landlord must seek written approval by the USPS Contracting Officer of the contractor and scope of work, such approval not to be unreasonably withheld. If ACBM is subsequently found in the building which reasonably should have been determined, identified, or known to the Landlord, the Landlord agrees to conduct, at Landlord's sole expense, an asbestos survey pursuant to the standards of the Asbestos Hazard Emergency Response Act (AHERA), establish an Operations and Maintenance (O&M) plan for asbestos management, and provide the survey report and plan to the Postal Service. If the Landlord fails to remove any friable asbestos or hazardous/toxic materials or substances, or fails to complete an AHERA asbestos survey and O&M plan, the Postal Service has the right to accomplish the work and deduct the cost plus administrative costs, from future rent payments or recover these costs from Landlord by other means, or may, at its sole option, cancel this Lease. In addition, the Postal Service may proportionally abate the rent for any period the premises, or any part thereof, are determined by the Postal Service to have been rendered unavailable to it by reason of such condition.



General Conditions to USPS Lease

The Landlord hereby indemnifies and holds harmless the Postal Service and its officers, agents, representatives, and employees from all claims, loss, damage, actions, causes of action, expense, fees and/or liability resulting from, brought for, or on account of any violation of this clause.

The remainder of this clause applies if this Lease is for premises not previously occupied by the Postal Service.

By execution of this Lease the Landlord certifies:

- a. that the property and improvements are free of all contamination from petroleum products or any hazardous/toxic or unhealthy materials or substances, including friable asbestos materials, as defined by applicable State or Federal law;
- b. that there are no undisclosed underground storage tanks or associated piping, ACBM, radon, lead-based paint, or lead piping or solder in drinking water systems, on the property; and
- c. it has not received, nor is it aware of, any notification or other communication from any governmental or regulatory entity concerning any environmental condition, or violation or potential violation of any local, state, or federal environmental statute or regulation, existing at or adjacent to the property.

10. FACILITIES NONDISCRIMINATION

- a. By executing this Lease, the Landlord certifies that it does not and will not maintain or provide for its employees any segregated facilities at any of its establishments, and that it does not and will not permit its employees to perform services at any location under its control where segregated facilities are maintained.
- b. The Landlord will insert this clause in all contracts or purchase orders under this Lease unless exempted by Secretary of Labor rules, regulations, or orders issued under Executive Order 11246.

11. CLAUSES REQUIRED TO IMPLEMENT POLICIES, STATUTES, OR EXECUTIVE ORDERS

The following clauses are incorporated in this Lease by reference. The text of incorporated terms may be found in the Postal Service's Supplying Principles and Practices, accessible at www.usps.com/publications.

Clause 1-5, *Gratuities or Gifts* (March 2006)

Clause 1-6, *Contingent Fees* (March 2006)

Clause 9-3, *Davis-Bacon Act* (March 2006)¹

Clause 9-7, *Equal Opportunity* (March 2006)²

Clause 9-13, *Affirmative Action for Handicapped Workers* (March 2006)³

Clause 9-14, *Affirmative Action for Disabled Veterans and Veterans of the Vietnam Era* (March 2006)⁴

Clause B-25, *Advertising of Contract Awards* (March 2006)

Note: For purposes of applying the above standard clauses to this Lease, the terms "supplier," "contractor," and "lessor" are synonymous with "Landlord," and the term "contract" is synonymous with "Lease."

¹ For premises with net interior space in excess of 6,500 SF and involving construction work over \$2,000.

² For leases aggregating payments of \$10,000 or more.

³ For leases aggregating payments of \$10,000 or more.

⁴ For leases aggregating payments of \$25,000 or more.

1. The Postal Service shall maintain the demised premises (including repair and replacement of items, if necessary), except for those items specifically made the responsibility of the Landlord in Paragraph 3 below. The responsibility of the Postal Service as stated herein will be fulfilled at such time and in such manner as the Postal Service considers necessary to keep the demised premises in proper condition.
2. The term "demised premises" as used in this rider includes the premises described in the Lease, the improvements and appurtenances to such premises and all equipment and fixtures furnished, or to be furnished, by the Landlord under this Lease.
3. During the continuance of the Lease, the Landlord is responsible for maintenance of, repairs to, and, if necessary, replacement of:
 - a. All common or joint use interior and exterior areas and common or joint use equipment and systems that may be included as part of this lease.
 - b. All structural elements, including but not limited to: the foundation; column supports; bearing walls; floors, not including floor covering.
 - c. All parts of the roof system including, but not limited to: the roof covering; flashing and insulation; roof beams, joists, and deck; soffit and fascia; and gutters and downspouts. The Postal Service will be responsible for regular cleaning of gutters and downspouts connected to the outer edge (i.e., the eaves area) of the roof; Landlord will be responsible for regular cleaning of any other gutters, downspouts, troughs, scuppers, roof drains, etc.
 - d. Damage resulting from termites and any other wood-eating insects, including inspection, prevention and eradication.
 - e. Defects in building construction or installation of equipment, fixtures, or appurtenances furnished by the Landlord.
 - f. Damage from fire or other casualties, unless such casualties were caused by the negligence of employees or agents of the Postal Service.
 - g. Items of repair performed by the Postal Service due to the failure of any element for which the Landlord is responsible.
 - h. Landlord is responsible for any necessary replacement of the well and septic systems, including lateral fields, during the continuance of the lease. If replacement of either system becomes necessary as a result of the failure of that system, the Landlord remains responsible for providing an operating well system and septic system. Landlord is also responsible for any inspections of these systems required by governing bodies. The Postal Service is responsible for maintenance of the well system and septic system, including any necessary pumping and cleaning of the septic system.
4. If the demised premises or any portion thereof are damaged or destroyed by fire or other casualty, Acts of God, of a public enemy, riot or insurrection, vandalism, or are otherwise determined by the Postal Service to be unfit for use and occupancy, or whenever there is a need for maintenance, repair, or replacement which is the Landlord's obligation under this Maintenance Rider, the Postal Service will require the Landlord to rebuild or repair the premises as necessary to restore them to tenantable condition to the satisfaction of the Postal Service. The Postal Service will, except in emergencies, provide the Landlord with written notice stating a reasonable time period for completion of all necessary repairs. (A copy of any such notice shall be sent to the Landlord's mortgagee and any assignee of monies due or to become due under this Lease whose names and addresses have been furnished to the Postal Service by the Landlord. Failure to give such written notice to the Landlord or to the mortgagee or assignee shall not affect the Postal Service's rights to recover expended costs under this provision, provided that the costs expended by the Postal Service are reasonable in amount.) The Postal Service, acting through the Contracting Officer, may proportionately abate the rent for any period the premises, or any part thereof, are determined by the Postal Service to have been rendered untenable, or unfit for use and occupancy, by reason of such condition.

If the Landlord (or the mortgagee or assignee, on behalf of the Landlord) fails to prosecute the work with such diligence as will ensure its completion within the time specified in the notice (or any extension thereof as may be granted at the sole discretion of the Postal Service), or fails to complete the work within said time, the Postal Service shall have the right to perform the work (by contract or otherwise), and withhold the cost plus any administrative cost and/or interest, from rental payments due or to become due under this Lease. Alternatively, the Contracting Officer may, if the demised premises are determined to be untenable or unfit for use or occupancy, with reasonable discretion, cancel this Lease in its entirety, without liability.

The remedies provided in this section are non-exclusive and are in addition to any remedies available to the Postal Service under applicable law.

5. The Landlord must:

- a. comply with applicable Occupational Safety and Health Standards, title 29 Code of Federal Regulations (CFR) (including but not limited to Parts 1910 and 1926), promulgated pursuant to the authority of the Occupational Safety and Health Act of 1970 (OSHA); and
- b. comply with any other applicable federal, state, or local regulation governing workplace safety to the extent they are not in conflict with a; and
- c. take all other proper precautions to protect the health and safety of:
 - (1) any laborer or mechanic employed by the Landlord in performance of this agreement;
and
 - (2) Postal Service employees; and,
 - (3) the public.

The Landlord must include this clause in all subcontracts hereunder and require its inclusion in all subcontracts of a lower tier. The term "Landlord" as used in this clause in any subcontract must be deemed to refer to the subcontractor.

**NEW YORK –Triborough Station (359623-001)
NEW YORK NY 10035-1750**

Assessor's Parcel Number: **1-01773-0027**

a. Definitions

Ad Valorem means according to the value of the property.

Property Tax Rate is an amount expressed as dollars and cents per \$100.00 or per \$1,000.00 of assessed value or as mills per \$1.00 of assessed value as set by authorities for tax jurisdictions, which is applied to the value of the land, improvements on the land, or both, to determine some kinds of Real Property Taxes.

Real Property Taxes, as used in this clause, shall mean those taxes, including Ad Valorem taxes, special assessments, fees and charges, that are assessed against any or all taxable real property appearing on the assessment roll or list in a taxing authority's jurisdiction and that are identified by a taxing authority for the support of government activities within its jurisdiction, whether such activities are general or specifically identified. Real Property Taxes also include administrative charges or fees imposed by a taxing authority, including those for the support of its assessment and collection activities.

b. The lessor agrees to pay all taxes of any kind, including Real Property Taxes, special assessments, and fees of every kind and nature levied on the Demised Premises.

c. The Postal Service will reimburse Lessor 21.37% (Tenant's Share) of the total paid Real Property Taxes, as defined above, over and above the real estate taxes paid on the demised premises in the 2014/2015 tax year, under the following terms:

1. Lessor may submit not more than one request for reimbursement in any calendar year, irrespective of the number of taxing authorities included; and reimbursement will be made **not more than one time annually by the Postal Service.**
2. No reimbursement will be made for fines, penalties, interest or costs imposed for late payment.
3. Reimbursement will be made only for net paid taxes, less Tenant's Share of the maximum discount allowed by the taxing authority for prompt or early payment, regardless of whether Lessor actually received any such discount.
4. Reimbursement will be made only for taxes levied for periods of time within the term of this lease.
5. Notwithstanding anything contained in section c.3 above, In the case of a special assessment for which a taxing authority permits or prescribes installment payments that extend beyond the lease term, reimbursement will be made only for Tenant's Share of those installment amounts that are required to be made during the lease term, regardless of whether Lessor pays in full or otherwise adjusts the payment schedule within the lease term.
6. In order to qualify for reimbursement, the tax bill as issued by the taxing authority must include the Demised Premises.
7. **Lessor must provide copies of the front and back of the complete tax bill issued by the taxing authority**, along with satisfactory proof of payment. Satisfactory proof of payment shall be (i) a receipt for payment shown on the face of the tax bill, (ii) a copy of the front and back of the canceled payment check, (iii) a statement from a lender verifying payment of the tax, or (iv) other documentation satisfactory to the Postal Service.
8. Incomplete or improper requests for reimbursement will be returned to Lessor without payment.
9. **The Postal Service is not required to reimburse paid taxes unless the request for reimbursement is received by the Postal Service not later than 18 months after the close of the tax year.**

d. The Lessor must promptly furnish to the Postal Service copies of all notices that may affect the valuation of the Demised Premises for Real Property Tax purposes or that may affect the levy or assessment of Real Property Taxes thereon. If Lessor does not timely furnish such notices relating to valuation changes or the levy or assessment of taxes or fails to meet any legal prerequisite for appeal and the Postal Service loses the right to contest the validity or the amount of the taxes, then the Postal Service shall be responsible to reimburse Lessor for only 75% of Tenant's Share of the reimbursable taxes due for the year involved.



**Tax Rider
Percentage Reimbursement of Paid Taxes
Over the Base Tax Year**

All notices required under this paragraph must be delivered or mailed, using certified mail with a return receipt or other verified method of delivery, within ten (10) days from the receipt thereof by the Lessor to:

**UNITED STATES POSTAL SERVICE
ATTN: MANAGER, REAL ESTATE
2 HUDSON PLACE, 5TH FLOOR
HOBOKEN NJ 07030-5502**

or to such other office as the Postal Service may later direct in writing.

- e. The Postal Service may contest the validity of any valuation for Real Property Tax purposes or of any levy or assessment of any Real Property Taxes by appropriate proceedings either in the name of the Postal Service or of the Lessor or in the names of both. Notwithstanding any contest of valuation, Property Tax Rate, levy or assessment, Lessor must pay under protest the Real Property Taxes involved when requested to do so by the Postal Service. The Lessor, upon reasonable notice and request by the Postal Service, must join in any proceedings, must cooperate with the Postal Service, and must execute and file any documents or pleadings as the Postal Service may require for such proceeding, provided the Lessor is reasonably satisfied that the facts and data contained therein are accurate. Lessor will not be responsible for the payment of penalties, costs, or legal expenses in connection with any protest or appeal proceedings brought by the Postal Service, and the Postal Service will indemnify and save harmless the Lessor from any such penalties, costs, or expenses. Lessor hereby authorizes the Postal Service as its agent to represent its interest in any appeal or protest proceeding authorized under this paragraph.
- f. Lessor shall promptly notify the Postal Service of any appeal or other action it takes or initiates to adjust any valuation of the property, Property Tax Rate, or levy or assessment of Real Property Taxes. The Postal Service is entitled to Tenant's Share of any and all monies obtained through such actions or any other refunds or remissions of Real Property Taxes paid in any year subsequent to the commencement of the lease. If any such refunded or remitted monies are paid or delivered to Lessor, Lessor must immediately forward them to the Postal Service. If Lessor is informed that he is entitled to a refund or remission of monies paid as Real Property Taxes upon the submission of an application, Lessor will promptly make and file such application, and upon receipt of such refund or remission, immediately forward it to the Postal Service. The Postal Service reserves the right to offset Tenant's Share of refund and remission payments not so obtained or forwarded, against rental or other payments due the Lessor.
- g. The Postal Service is entitled to the benefits of all tax exemptions or abatements authorized by law or regulation that may be available with respect to the Demised Premises. Lessor shall take all necessary steps to obtain such exemptions or abatements. The Postal Service reserves the right to offset against rental or other payments due the Lessor the amount or value of any abatement or exemption that would have been available if Lessor had properly applied for it, and any amount for which the Postal Service is not to be responsible under paragraph (d), above.
- h. Nothing herein contained shall operate to waive or deprive the Postal Service of any rights, privileges or immunities it enjoys under law.
- i. The percentage shown in paragraph (c) above was computed as follows:

2014/2015 Real Estate Taxes Base Year = _____
USPS 4,298 SQUARE FEET / TOTAL 20,111 SQUARE FEET = 21.37 %

INITIALS

DRAFT



Renewal Option Rider (Market Value)

Facility Name/ Location NY TRIBOROUGH STATION - RETAIL STATION (359623-001)

County: New York

Lease: Q90000428647

The Postal Service may exercise an option to renew this Lease pursuant to Paragraph 4, for which the Lease does not designate a specific rental rate; the parties shall determine the appropriate, market value rent for that renewal term as follows:

1. Not less than 18 months or more than 24 months prior to the expiration of the current lease term, the Postal Service shall give written notice to Landlord advising Landlord of the Postal Service's opinion of the appropriate market value rent of the leased premises. This opinion shall be based on an appraisal procured by the Postal Service at its sole cost and performed by a "qualified appraiser" prepared in accordance with the attached Appraisal Report Specifications. A copy of the appraisal's summary page/transmittal letter (hereinafter referred to as the "summary") shall be provided to Landlord with the above notice. (A "qualified appraiser" is defined as someone who is State certified or designated by a national professional appraisal society, which said national society is a sponsoring organization of the Appraisal Foundation.)

2. Landlord and Postal Service shall attempt to agree in writing on the market value rent of the leased premises during the thirty (30) day period following delivery of the Postal Service's notice (the "initial negotiation period"). If the parties reach agreement on the market value rent figure, the Postal Service shall timely exercise the renewal option at the agreed rent. If the parties are unable to reach an agreement during the initial negotiation period, then Landlord shall at its sole cost within thirty (30) days following the initial negotiation period, procure an appraisal by a "qualified appraiser". A copy of the appraisal's summary page/transmittal letter (the summary) shall be provided to the Postal Service. If the Landlord fails to provide an appraisal summary as specified herein, then the renewal term rent shall be the market value rent established by the Postal Service's appraisal. The Postal Service shall then timely exercise the renewal option.

3. If the Landlord's appraisal summary amount is within ten percent (10%) of the Postal Service's appraisal summary amount, then the renewal term rent shall be the arithmetic average of the two appraisal summaries. The Postal Service shall then timely exercise the renewal option. If the difference between the two appraisal summaries is greater than ten percent, the Landlord and Postal Service shall attempt to agree in writing on the market value rent during the thirty (30) day period following delivery of the Landlord's appraisal summary to the Postal Service (the "final negotiation period.") If the parties reach agreement on the market value rent, the Postal Service shall timely exercise the renewal option. If the parties are unable to reach agreement during the final negotiation period, then the Landlord shall provide the Postal Service with a list of three qualified appraisers within ten (10) days after request from the Postal Service. The Postal Service shall select one appraiser from this list to perform an appraisal review (or, if Landlord fails to provide a list, the Postal Service shall select an appraiser). Within thirty (30) days, this appraiser shall review both full narrative appraisal reports; establish an appropriate annual market value rent for the renewal term and forward copies of the completed appraisal review to both the Postal Service and the Landlord. The annual rental amount established in the appraisal review shall be binding on both parties for the renewal term of the Lease. The Postal Service shall then timely exercise the renewal option.

4. Landlord and Postal Service shall share equally the cost of the appraisal review noted above, as follows. The Postal Service shall contract for such appraisal review using its standard Contract for Real Estate Services. Landlord shall reimburse the Postal Service fifty percent (50%) of the cost of the appraisal review within sixty (60) days of presentation of the appraiser's invoice(s). If the Landlord fails to pay this fifty percent (50%) share within said time period, the Postal Service may deduct that amount from the following month's rent without further notice to the Landlord.

5. In the event the parties have not completed the appraisal/market value rent determination process and the date for the Postal Service to exercise the renewal option is approaching, the Postal Service shall timely exercise the renewal option at the Postal Service appraiser's market value rent figure (pursuant to paragraph 1, above) and shall not be considered a holdover. Once the renewal term's appropriate market value rent has been determined as noted above, the Postal Service will pay to Landlord any incremental rental increase for this interim period.



DRAFT

Utilities, Services, & Equipment Rider

Facility Name/Location
NY TRIBOROUGH STATION - RETAIL STATION (359623-001)
167 East 124th St., NEW YORK, NY 10035-1750

County: New York
Lease: Q90000428647

- 1. HEAT**
Not Applicable
The USPS will install its own HVAC system.

- 2. AIR CONDITIONING**
Not Applicable
The USPS will install its own HVAC system.

- 3. ELECTRICITY**
Landlord must furnish a separately metered electrical system in good working order for the demised premises, in accordance with the Maintenance Rider, during the continuance of the lease. The Postal Service will pay all recurring electric bills.
The USPS will install its own separate meter for electricity.

- 4. LIGHT**
Landlord is not responsible for providing light fixtures.

5. WATER

Landlord must furnish a potable water system in good working order, in accordance with the Maintenance Rider, and pay for all recurring water bills, during the continuance of the Lease.

6. SEWER

Landlord must furnish a sewer system in good working order, in accordance with the Maintenance Rider, and pay for all recurring sewer bills, during the continuance of the Lease.

7. TRASH

The Postal Service agrees to furnish and pay for all trash removal for the demised premises during the continuance of the Lease.

8. SNOW

The Postal Service agrees to furnish and pay for the timely removal of snow and ice from the sidewalks, driveway, parking and maneuvering areas, and any other areas providing access to the postal facility for use by postal employees, contractors, or the public (including, but not limited to, stairs, handicap access ramps, carrier ramps, etc.) during the continuance of the Lease. The Landlord is responsible for timely removal of snow and ice from the roof.



DRAFT

Mortgagee's Agreement
(To be executed and attached to lease)

Facility Name/Location
NY TRIBOROUGH STATION - RETAIL STATION (359623-001)
167 East 124th St., NEW YORK, NY 10035-1750

County: New York
Lease: Q90000428647

The undersigned, Holder(s) of a mortgage (or similar encumbrance, such as a Deed of Trust), in the sum of _____ on the property situated at: _____

hereby consent(s) to the leasing of said property to the U.S. Postal Service and agree(s) for itself, its successors, executors, administrators, and assigns that in the event it should become necessary to:

- a) foreclose said mortgage or similar encumbrance, the Mortgagee will cause the sale of said premises to be made subject to said lease; or,
- b) take any other action terminating the mortgage or transferring title, the Mortgagee will cause such action to be made subject to said lease.

MORTGAGEE

Name of Mortgage Company

Witness

By: _____
Signature of Mortgagee's Officer

Its: _____
Title of Mortgagee's Officer

Street Address

City, State and ZIP+4

Subscribed and Sworn to before me, a notary public, in and for _____ County, State of _____ this _____ day of _____, _____.

Notary Public

My commission expires _____

EXHIBIT A



NEW YORK METRO
800-853-4803
212-922-1593 fax
stewartnewyork.com

SCHEDULE A – DESCRIPTION

Title No.: ST12-15950

ALL that certain plot piece or parcel of land with the buildings and improvements thereon erected, situate, lying and being in the Borough of Manhattan, City, County and State of New York, bounded and described as follows:

BEGINNING at a point on the northerly side of 124th Street, distant 150 feet westerly from the northwesterly corner of 124th Street and 3rd Avenue;

RUNNING THENCE northerly and parallel with 3rd Avenue 100 feet 11 inches to the center line of the block between 124th Street and 125th Street;

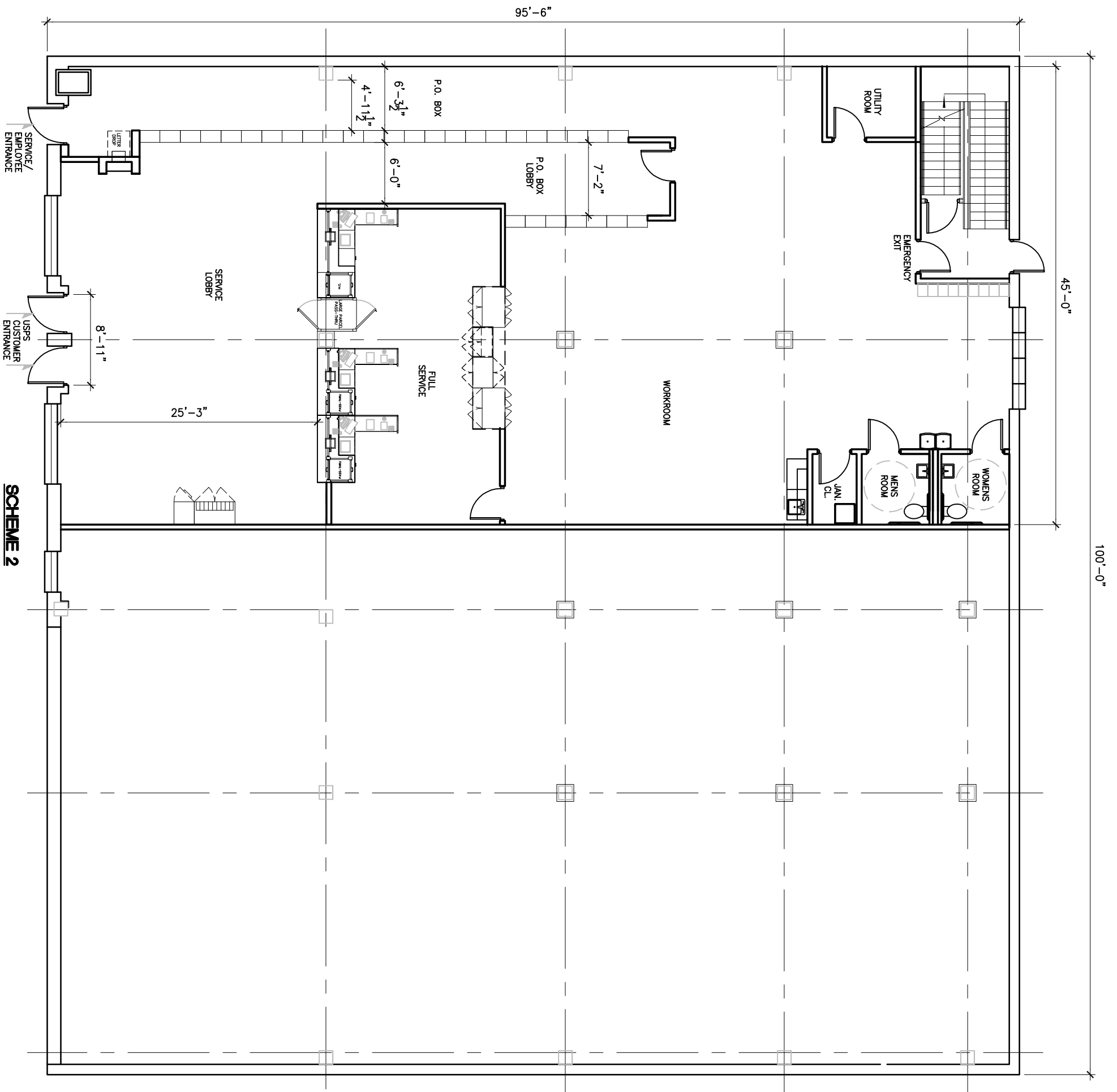
THENCE westerly along said center line, 100 feet;

THENCE southerly and parallel with 3rd Avenue, 100 feet 11 inches to the northerly line of 124th Street;

THENCE easterly along said northerly line of 124th Street, 100 feet to the point or place of BEGINNING.

FINAL

EXHIBIT B



SCHEME 2

1 FIRST FLOOR - Retail Space
SCALE: 3/32" = 1'-0"