

All Common Charges included

**Agreement of Lease**

THIS LEASE made as of this 1<sup>st</sup> day of July 2013 between SA II LLC, having offices located at 1951 Ocean Avenue, Ronkonkoma New York 11779 hereinafter referred to as Owner, and Housing Trust Fund Corporation having offices located at 38-40 State Street, Albany, New York 12207, hereinafter referred to as Tenant.

IN CONSIDERATION OF the owner leasing certain premises to the Tenant, the Tenant leasing those premises from the owner and the mutual benefits and obligations set forth in this Lease, the receipt and sufficiency of which consideration is hereby acknowledged, the parties to this Lease agree as follows:

**Leased Premises:**

The Owner agrees to lease to the Tenant and Tenant hereby hires from Owner 5,500 rentable square feet on the 2<sup>nd</sup> floor, presently known as Suite# 202-208 (the "Demised Premises") in the Building known as 475 East Main Street, Patchogue, NY 11772, (the "Building"). The Demised Premises will be used only for the following permitted use (the "Permitted Use"): Administrative offices and center for disaster recovery services.

No pets or animals are allowed to be kept in or about the Demised Premises or in any common areas in the Building containing the Demised Premises, provided however, that handicapped persons shall be permitted the use of service animals on the Demised Premises. Upon thirty (30) Days notice, the Owner may revoke any consent previously given pursuant to this clause.

Subject to the provisions of this lease, the Tenant is entitled to the use of the general parking (the "Parking") on or about the Building. Only Properly Insured motor vehicles may be parked on or about the Building.

**Term:**

The term of this Lease is for 36 Months to Commence on August 1, 2013 and end on July 31, 2016. Without any written agreement the tenant shall become a month to month Tenant Commencing on July 1, 2016 unless written notice of acceptance for option years is delivered 60 Days prior to lease term end, and if not, Tenant does not affirmatively agree to renew within 30 days of receipt of a reminder notice from Owner. All other provisions of this Lease are Applicable to any such Month to Month Tenancy. Rent increases 3% Per Year.

**Lease Years:**

August 1, 2013 to July 31, 2014	\$		\$	
August 1, 2014 to July 31, 2015	\$		\$	
August 1, 2015 to July 31, 2016	\$		\$	

**Option Years:**

August 1, 2016 to July 31, 2017	\$		\$	
August 1, 2017 to July 31, 2018	\$		\$	

Upon ten (10) days written notice, the owner may terminate the tenancy under this lease if the Tenant has defaulted in the payment of any portion of the Rent when due or upon twenty (20) days written notice if the Tenant fails to observe, perform and keep each and every of the covenants, agreements, stipulations, obligations, conditions, and other provisions of this Lease to be observed, performed and kept by the Tenant, provided that if the default is of a nature that is not susceptible of cure within twenty (20) days, Tenant will not be in default if it commences to cure within twenty (20) days and is diligently proceeding to complete such cure.

Upon sixty (60) days notice, given on the first day of the month, the Tenant may terminate the tenancy under this Lease for any reason whatsoever.

Subject to the provisions of this Lease, the tenant will pay a base rent (the "Base Rent") of [REDACTED] /month for Year #1, [REDACTED] /month for year #2, and [REDACTED] /month for year #3. The Tenant will pay the Base Rent on or before the tenth of each and every month of the term of this Lease to the Owner.

**Use and Occupation:**

Tenant will use neither the Demised Premises nor any part of the Demised premises at anytime during the term of this Lease for any purpose other than the Permitted Use.

The Tenant covenants that the Tenant will carry on and conduct its business from time to time upon the Demised Premises in such a manner as to comply with all statutes, bylaws, rules, and regulations of any federal, provincial, municipal or other competent authority and will not do anything on or in the Demised Premises in contravention of any of them. If it develops that the Permitted Use is not a lawful use, Tenant may terminate the tenancy under this Lease on ten (10) days' written notice to the Owner.

**Advance Rent and Security**

On Execution of this Lease, the Tenant will transfer a security deposit of [REDACTED] *wire transfer -* to the Owner to be held by the Owner without interest. The Owner will return the security deposit to the tenant at the end of his tenancy, less such deductions as provided in this lease but no deduction will be made for Damage due to reasonable wear and tear.

The tenant may not use the security deposit as payment for the rent.

**Broker**

Owner's broker is Coldwell Banker Commercial, NRT. Tenant shall indemnify and hold harmless Owner from and against any claims, including reasonable attorney's fees for broker's commissions of similar compensation brought by any other party claiming to have introduced Tenant to the Demised Premises, other than the above-named broker who will be paid a commission by the Owner pursuant to a separate agreement between Owner and Coldwell Banker Commercial, NRT and Winkler Real Estate.

**Signs**

Tenant shall not place, hand write, install, erect or permit to be placed, hung, painted, written, installed, or erected any sign to any portion of the Building of which the Demised Premises are a part or anywhere on or about the Building without written submission to the Owner and the Owner's subsequent written consent in each instance, which Owner agrees not to unreasonably withhold or delay.

**Subordination**

The Tenant agrees that this lease shall be subject and subordinate to any and all mortgages, deeds of trust and other instruments in the nature of a mortgage, now or anytime hereafter, a lien or liens on the property of which the leased premises are a part and the Tenant shall, when required, promptly execute and deliver such written instrument as shall be necessary to show the subordination of this lease to said mortgages, deeds of trust or other such instruments in the nature of a mortgage.

**Quiet Enjoyment**

The Owner covenants that on paying the Rent and performing the covenants contained in this Lease, the Tenant will peacefully and quietly have, hold, and enjoy the Demised Premises for the agreed term. The tenant will have access to the building 24 hours a day and 7 days a week.

**Inspections**

At all reasonable times during the term of this Lease and any renewal of this Lease, on reasonable prior advance notice, the Owner and its agents may enter the Demised Premises to make inspections or repairs, or to show the Demised Premises to prospective tenants or purchasers. Owner will use reasonable efforts to minimize interference with Tenant's business during any such inspections.

**Tenant Improvements**

The Tenant will obtain written permission, not to be unreasonably withheld, from the owner before doing any of the following:

- 1.) Applying adhesive materials, or inserting nails or hooks in walls or ceilings other than two small picture hooks per wall
- 2.) Painting, wallpapering, redecorating or in any way significantly altering the appearance of the Demised Premises
- 3.) Removing or adding walls, or performing any structural alterations
- 4.) Changing the amount of heat or power normally used on the Demised Premises as well as installing additional electrical Wiring or heater units
- 5.) Placing, exposing, or allowing to be placed or exposed anywhere inside or outside the Demised Premises any placard, Notice or sign for advertising or any other purpose, provided however that Tenant has provided Owner examples of certain signage that is necessary for Tenant to administer its disaster recovery program to assist area residents whose homes were damaged or destroyed by Hurricane Sandy and Owner has approved such signage and does not violate local sign ordinances.
- 6.) Affixing or erecting upon or near the Demised Premises any radio, TV antenna or Tower

**Insurance:**

At the Tenant's own cost and expense, it shall maintain in force at all times hereunder, public liability insurance policies, including bodily injury and property damage, with any standard company licensed to do business in the State of New York with the limitation of at least a combined single occurrence limit of \$ [REDACTED] for bodily injury and property damage, and an umbrella policy of at least [REDACTED] indemnifying the Owner and the Tenant against claims for Damages arising out of the use of the Demised Premises and the entrances and appurtenances thereto belonging and shall cause the Landlord to be named as additional insured thereunder and shall furnish the Landlord with certificates of such insurance. Such policies may effectuated by blanket policies of insurance.

**Real Estate Taxes:**

Real Estate Taxes shall be deemed to include all real estate taxes, assessments, county taxes, school taxes, transit taxes or any other governmental charge of a similar nature whether general, special, ordinary or extraordinary, foreseen or unforeseen, which may hereafter be levied or assessed against the land upon which the building is erected and/ or the building, which land and building are hereinafter referred to collectively as the "Building". If due to a future change in the method of taxation, any franchise, income, profit or other tax, however designated, shall be levied against the Owner and landowners in the relevant jurisdiction in substitution, in whole or part, for or in lieu of any tax which would otherwise constitute "Real Estate Taxes for the purposes hereof, and shall be deemed to be included in the term Real Estate Taxes

**Tax Year**

Tax Year shall mean each period of 12 months, commencing on the first day of September of each such period for Town of Brookhaven, Suffolk County and School Taxes in which occurs any part of the term of this Lease, or Commencing on any date as hereafter may be duly adopted as the commencement of the fiscal year for real estate tax purposes.

**Real Estate Tax Base:**

Real Estate Tax Base Shall Be: [REDACTED]

**Tenants Proportionate**

Tenants Proportionate Share shall mean 12.65% for the Lease term.

Tenant Shall Pay Proportionate Share of Tax Increases Only

**Escalation Statement**

Escalation Statement shall mean a statement in writing signed by the Owner, setting forth the amount payable by Tenant for a Specified Tax Year pursuant to this paragraph.

If the Real Estate Taxes for any Tax Year shall be greater (resulting excess) other than the Real Estate Tax Base, then the Tenant shall, in the case of such an excess, pay to Owner as additional rent for Demised Premises for such Tax Year, an amount equal to Tenants Proportionate Share of such excess.

Payments shall be made pursuant to this paragraph notwithstanding that fact that an Escalation Statement is Furnished to Tenant after the expiration of the term of this Lease, but Tenant's payment obligation will be limited, pro rata, to the increases in Real Estate Taxes during the term only.

In Case the Real Estate Taxes for any Tax Year of part thereof shall be reduced before Tenant shall have paid Tenants Proportionate Share of any excess thereof in respect of such tax year, the real estate taxes for such tax year shall be deemed to include any expenses, including counsel fees, incurred by Owner in connection with the reducing the assessed valuation and/or in obtaining such reduction

#### Indemnification

The Tenant will indemnify and hold harmless the Owner against all liability and expenses arising from, or caused by Tenant's use or occupancy of the Demised Premise and resulting in injury to or death of persons or damage to property on or from the Demised Premises during the term of this Lease or During the term of any extension hereof, unless such injuries, death or property damage result from the negligence or willful misconduct of Owner.

#### Governing Law

It is the intention of the parties to this lease that the Tenancy created by this Lease and the performance under this Lease, and all suits and special proceedings under this Lease, be construed in accordance with and governed, to the exclusion of the law of any other forum, by the laws of the State of New York, without regard to the jurisdiction in which any action or special proceeding may be instituted.

#### Assignment and Subletting

The Tenant will not assign this Lease, or sublet or grant any concession or license to use the premise or any part of the premises. An assignment, subletting, concession, or license, whether by operation of law or otherwise, will be void and will, at Owners option, terminate this lease.

#### Care and Use of Premises

Vehicles which the Owner reasonably considers overly noisy, dangerous, uninsured, inoperable or unlicensed are not permitted in the parking stall(s), and such vehicles, upon twenty-four hours prior notice, will be towed away at the Tenants' expense. Parking facilities are provided at the Tenant's own risk.

The Tenant will not make (or allow to be made) any noise or nuisance which, in the reasonable opinion of the Owner, disturbs the comfort or convenience of other tenants.

The Tenant will not engage in any illegal trade or activity on or about the Demised Premises

The Owner and Tenant will comply with standards of health, sanitation, fire and safety as required by Law

At the Expiration of the Lease term, the Tenant will quit and surrender the Demised Premises in as good a state and condition as they were at the commencement of this Lease, reasonable use and wear and damages by the element expected.

#### Hazardous Materials

The Tenant will not keep or have on the Demised Premises any article or thing of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire on the Demised Premises or that might be considered hazardous by any responsible insurance company.

**Rules and Regulations**

The Tenant will obey all reasonable, non-discriminatory and otherwise legal rules and regulations posted by the Owner regarding the use and care of the Building, Parking Lot, and other Common Facilities that are provided for the use of the Tenant in and around the Building.

**Common Area Maintenance (CAM)**

The following CAM Charges will be paid by SA II, LLC.

- a.) Removing snow from sidewalks, parking lots and loading area
- b.) Sweeping, striping, maintenance and routine repair of parking lots
- c.) Maintenance and routine repair of lawn sprinklers
- d.) Routine Maintenance, repair, and emptying of septic system
- e.) Cutting, Fertilizing, reseeding and maintaining lawn
- f.) Landscape gardening
- g.) Routine maintenance and repair of sidewalks
- h.) Common area window cleaning
- i.) Garbage and refuse removal, excluding medical waste by any tenant in the Demised Premises
- j.) Cleaning, maintenance, and renovating of common areas, including the repair and replacement of interior and exterior lighting fixtures and bulbs servicing same.
- k.) Electricity servicing the Building Common Areas
- l.) Gas servicing the building Common Areas
- m.) Smoke and Fire Detection System
- n.) Elevator service, maintenance and inspections
- o.) Air conditioning units servicing the common areas
- p.) Routine repair of the fire sprinkler system, including plumbing maintenance and repairs servicing the common areas
- q.) Water supplied to the building and water used for all other purposes

**General Provisions**

This Lease will extend to and be binding upon and inure to the benefit of the respective heirs, executors, administrators, and successors, as the case may be, of each party to this lease. All covenants are to be construed as conditions of this lease.

All sums payable by the Tenant to the Owner pursuant to any provision of this Lease will be deemed to be Additional Rent and will be recovered by the owner as rental arrears.

In the event of Tenant's default, Owner agrees to use commercially reasonable efforts to mitigate Tenant's damages.

Owner recognizes that Tenant's use of the Premises is related to its administration of a federally-funded disaster recovery program (the Community Development Block Grant-Disaster Recovery or CDBG-DR program) and that Tenant's ability to pay the Rent and Additional Rent is contingent on continuing CDBG-DR allocations for the leasing of said Premises and Tenant's continued compliance with the CDBG-DR program's rules and requirements. Accordingly, and notwithstanding anything herein, Owner agrees to make commercially reasonable efforts to allow HTFC to claim the Rent and Additional Rent as an eligible CDBG-DR expense and further agrees to work with HTFC to modify any rule or regulation regarding the Demised Premises that would otherwise jeopardize such eligibility.

***Please sign and Date Addendum #1***

IN WITNESS WHERE OF SA II LLC and Housing Trust Fund Corporation have duly affixed their signatures by duly authorized officers as of this 1<sup>st</sup> Day of August, 2013

Owner:  
SA II LLC

By: 

Tenant:  
Housing Trust Fund Corporation

By: 

Matthew Nelson  
President, Office of Community Renewal

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**Addendum #1**

**Landlord:**

- 1.) Landlord to Shampoo All of the Carpeting
- 2.) Landlord to Broom Clean

**Tenant:**

- 1.) Tenant to Pay for Cleaning of Interior Premises
- 2.) Tenant to Pay for All Interior Build-Outs and Internet Wiring

[REDACTED]

[REDACTED]

SA II, LLC.

Housing Trust Fund Corporation, by Matthew Nelson