

LEASE

Dated: April 15, 1999

**ARTICLE I.
REFERENCE DATA**

1.01 CERTAIN TERMS

Each reference in this Lease (the "Lease") to any of the following terms shall be construed to mean and incorporate the data stated after such terms in this Section 1.01:

A. Landlord:

THE CITY OF ELMIRA, NEW YORK, a municipal corporation organized and existing under the laws of the State of New York.

B. Landlord's Address:

City of Elmira
City Hall, Third Floor
317 E. Church Street
Elmira, New York 14901
Attn: Law Department

C. Tenant:

THE TRAVELERS INDEMNITY COMPANY, a Connecticut corporation organized and existing under the laws of the State of Connecticut.

D. Tenant's Address:

One Tower Square
Hartford, Connecticut 06183-7130
Attn: Corporate Real Estate & Services, 1 MSA

With a copy to:
4400 North Point Parkway
Alpharetta, Georgia 30022
Attn: Corporate Real Estate & Services, Senior Manager

E. Premises:

As shown on Exhibit A-3 (PLAN OF PREMISES) and described as follows:

(i) Rentable Area of the Premises: 25,926 square feet, situated on the 1st floor of the building, subject to the terms of Section 2.03 and Section 2.04 of the Lease;

(ii) Usable Area of the Premises: 25,926 square feet, subject to the terms of Section 2.03 and Section 2.04 of the Lease;

F. Building:

(i) Total Rentable Area of the Building: 53,466 square feet;

(ii) Building Address: Eastowne Mall
116 Baldwin Street
Elmira, New York 14901

G. Property:

The Land, the Building, the Common Area Facilities and the Premises.

H. Land:

116,557.08 square feet as described in the legal description attached as Exhibit A-1 (DESCRIPTION OF LAND) and as identified on the tax assessor's plan attached as Exhibit A-2 (TAX ASSESSOR'S PLAN).

I. Tenant's Proportionate Share:

Forty-eight and 49/100 percent (48.49%), to be adjusted as provided for in Section 2.04 of this Lease.

J. Lease Term: Five years

K. Scheduled Lease Commencement Date: July 1, 1999.

L. Scheduled Lease Expiration Date: June 30, 2004.

**M. Address for Payment: City of Elmira
City Hall
317 E. Church Street
Elmira, New York 14901
Attn: City Chamberlain**

N. Parking: as shown on Exhibit A-4 (PLAN OF PARKING AREA) and described as follows:

"Parking Ratio": 6.5 parking spaces for every 1,000 square feet of Rentable Area of the Premises, at the Eastowne Parking Garage, for a total of 169 parking spaces. The first 104 parking spaces (or 4 parking spaces for every

1,000 square feet of Rentable Area of the Premises) shall be provided to Tenant at no cost or expense; the balance of Tenant's parking spaces (65 parking spaces, based on 2.5 parking spaces for every 1,000 square feet of Rentable Area of the Premises) shall be provided to Tenant at the cost of \$10.53 per parking space, per month.

O. **Brokers:** Equis of New York.

P. **Overtime HVAC Costs:** Based on Landlord's actual costs, not to exceed \$10.00 per hour.

1.02 EXHIBITS

These Exhibits, attached hereto, are incorporated herein as part of this Lease:

EXHIBITS: A-1 Description of Land
A-2 Tax Assessor's Plan
A-3 Plan of Premises
A-4 Plan of Parking Area
B-1 Operating Cost Information Form
B-2 Real Estate Tax Information Form
C Base Building Improvements
D Work Letter Agreement
E Janitorial Service and Supplies
F Direct Deposit Form
G Base Rent Schedule
H Commencement Date Agreement
I Subordination, Attornment and Non-Disturbance Agreement
J Building Rules and Regulations
K Short Form Memorandum
L Present Lease Hold-Over Provision

In each instance in which the provisions of this Article I shall contradict or be inconsistent with the specific and detailed provisions of Articles II through X herein, the provisions of Articles II through X shall prevail.

ARTICLE II. BASIC LEASE PROVISIONS

2.01 PARTIES

This Lease is entered into by and between the Landlord and the Tenant identified in Article I.

2.02 NOTICES

All notices and notifications required or permitted under this Lease to be sent from one party to the other shall be in writing and sent by a nationally recognized private carrier of overnight mail (e.g., Federal Express) or by United States certified mail, return receipt requested and postage prepaid, to either Landlord or Tenant, as the case may be, at the addresses identified in Article I, or at such other addresses as the parties may designate by written notice from time to time.

All notices shall be deemed effective three (3) days after the date of mailing or on the date of actual receipt or refusal, if sooner.

2.03 PREMISES, BUILDING AND LAND

Landlord leases to Tenant upon the terms and conditions contained in this Lease, the Premises as defined in Article I(E), together with the right, in common with others, to use the Common Area Facilities (as hereinafter defined) of the Building and of the Land on which the Building is located.

As used in this Lease, the "Common Area Facilities" shall include all loading docks, freight and passenger elevators, sidewalks, parking areas, driveways, hallways, stairways, public restrooms, common entrances, lobby, emergency systems and other similar public areas and access ways of the Building and the Land.

Tenant may increase or decrease the Rentable Area of the Premises and the corresponding Tenant's Proportionate Share and Base Rent (as hereinafter defined), by up to twenty percent (20%) based upon Tenant's final "design intent" drawings referred to in Exhibit D (WORK LETTER AGREEMENT). In the event that Tenant elects to increase or decrease the Rentable Area of the Premises, then as of the Lease Commencement Date, the Rentable Area of the Premises, Base Rent and Tenant's Proportionate Share payable under this Lease shall be adjusted accordingly and an amendment reflecting these adjustments shall be executed by Landlord and Tenant within thirty (30) days of Tenant's election to increase or decrease the Rentable Area of the Premises.

Landlord shall make no change to the Building configuration that increases Tenant's Proportionate Share (as identified in Article 1.01(I)) by more than five percent (5%), or that materially effects Tenant's use of or access to the Premises, without Tenant's prior written consent.

2.04 AREA VERIFICATION AND MEASUREMENT

It is hereby understood and agreed by both parties hereto, that the Rentable Area of the Premises and the Usable Area of the Premises, as stated in Article I(E) hereof, is an estimate, and the final Rentable Area of the Premises and the final Usable Area of the Premises shall be determined upon the completion of the Tenant Improvements, as further described in Exhibit D (WORKLETTER AGREEMENT), attached hereto and made a part hereof.

For purposes of this Lease, the Premises and the Building shall be measured in accordance with the Building Owners and Management Association (BOMA) Method, American National Standard (ANSI Z65.1-1996). All references to rentable area and usable area as used in this Lease shall refer to rentable and usable area calculations derived by the application of BOMA. Landlord shall provide, upon Tenant's request, the calculations which show how the Total Rentable Area of the Building and Rentable Area of the Premises were derived.

Upon completion of the Premises, and prior to the Lease Commencement Date (as hereafter defined), Tenant shall have a physical measurement of the Rentable Area and Usable Area of the Premises and of the Total Rentable Area of the Building, performed by a licensed architect (the "Certification"), at Landlord's sole cost and expense. It is hereby agreed that the Base Rent and Tenant's Proportionate Share, as described in Section 1.01(I) (CERTAIN TERMS) hereof, shall be equitably adjusted if the Certification indicates that the actual Total Rentable Area of the Building or the Rentable Area of the Premises differs from the numbers set forth in such Section 1.01 as to the Rentable Area of the Premises and/or the Total Rentable Area of the Building.

Tenant may, at any time during the Lease Term and at Tenant's sole cost and expense, retain a licensed or registered surveyor to measure the rentable and usable area of the Premises and the rentable area of the Building. If such re-measurement reveals a difference of greater than five percent (5%) between the rentable area of the Premises or the Building, from what is stated in Article I(E) of this Lease or in the Survey, the Base Rent and Tenant's Proportionate Share shall be equitably adjusted on a retroactive basis.

2.05 USE

Tenant may use the Premises for general office use, for any other uses related to general office use, and for any other use permitted under applicable law.

2.06 LEASE TERM

Tenant shall have and hold the Premises for the Lease Term stated in Section 1.01, commencing on the Scheduled Lease Commencement Date, as identified in Section 1.01, unless Tenant elects to occupy the Premises early as provided in Section 3.03 of Exhibit D (WORK LETTER AGREEMENT). However, notwithstanding the foregoing to the contrary, Landlord and Tenant hereby agree that, subject to the terms of Exhibit D (WORK LETTER AGREEMENT), attached hereto and made a part hereof, the Lease Commencement Date shall be the date which is the first business day following a total period of three (3) months after the date which Landlord delivers possession of the Premises to Tenant, such that Tenant may commence its Tenant Improvement work (and the Base Building Improvement Work, as described in Exhibit D) in order to prepare the Premises for its occupancy, and relocate to the Premises, provided that: (i) Landlord delivers possession of the Premises to Tenant on the Possession Delivery Date, as defined in Exhibit D

(WORK LETTER AGREEMENT); (ii) an event of Force Majeure (as defined herein) has not occurred which would prevent Tenant from commencing or substantially completing the Tenant Improvement work and the Base Building Improvement Work for the Premises within a period of three (3) months from the date of receipt of possession of the Premises from Landlord; (iii) a Landlord Delay (as defined in Exhibit D) has not occurred which would prevent Tenant from commencing or substantially completing the Tenant Improvement work and the Base Building Improvement Work, as described in Exhibit D, for the Premises within a period of three (3) months from the date of receipt of possession of the Premises from Landlord (or a material portion thereof); (iv) in addition to the Premises, access to the following areas of the Building is provided to Tenant such that Tenant may complete the Tenant Improvements and Base Building work:

- (1) Freight and passenger elevators as reasonably required by Tenant;
- (2) Loading, unloading, staging and parking facilities
- (3) Trash receptacles and removal;
- (4) Existing as-built plans of the Building;
- (5) To portions of the Building other than the Premises if necessary (e.g., the ceiling of the floor below); and
- (6) Access to the Base Building electrical services and other utilities as necessary for construction.

and (v) provided that Tenant has applied for the same, in an expeditious manner, and Landlord has in no way unduly delayed Tenant's receipt of the same, Tenant has secured a temporary or permanent certificate of occupancy in order to occupy the Premises. However, it is hereby agreed and acknowledged, that Tenant's obtaining of a temporary or permanent certificate of occupancy shall only be a determination of the Lease Commencement Date in the event that Tenant is not able to obtain one due to (x) any acts or omissions of Landlord (or its agents, contractors or employees), or (y) Tenant has expeditiously applied for the same, however, the applicable governmental authority has not yet issued it, due to no act or omission of Tenant, or its agents, employees or contractors. Therefore, it is hereby understood and agreed that, subject to the terms of Section 3.03 of Exhibit D (WORK LETTER AGREEMENT), the Lease Commencement Date shall occur as of the later of the (A) Scheduled Lease Commencement Date, or (B) the first business day following a period of three (3) months after the date which Landlord delivers possession of the Premises to Tenant, subject to the foregoing provisions (i) - (v) of this Section 2.06 (the "Lease Commencement Date").

Within fifteen (15) days after the Lease Commencement Date, Landlord and Tenant shall execute and be bound by a "Lease Commencement Date Agreement", the form of which is attached hereto as Exhibit H (COMMENCEMENT DATE AGREEMENT).

2.07 DELAYED OCCUPANCY

If Landlord, for any reason whatsoever, cannot deliver possession of the Premises to

the Tenant, and on the Possession Delivery Date, as set forth in Exhibit D, such that Tenant may perform and substantially complete the Tenant Improvement work in order to prepare the Premises for its occupancy on or before the Scheduled Lease Commencement Date (subject to the terms of Section 2.06 above), this Lease shall not be void or voidable (except as expressly provided for herein); however, if Landlord is unable to deliver possession of the entire Premises to Tenant as described in Exhibit D, and on the date described therein, Landlord shall immediately notify Tenant. In addition, in the event that (x) Landlord does not deliver possession of the Premises to Tenant, on the date set forth in Exhibit D (and such is not due to the negligence or willful omission or willful misconduct of Tenant, or its agents, contractors or employees), or (y) Tenant's commencement or completion of the Tenant Improvement work for the Premises is delayed due to a Landlord Delay, as described in Exhibit D, and either event causes Tenant not to substantially complete the Tenant Improvement work and the Base Building Improvement Work as of the Scheduled Lease Commencement Date, then, commencing with the Scheduled Lease Commencement Date and continuing until the date which the actual Lease Commencement Date occurs (both pursuant to Section 2.06 above), Landlord shall reimburse Tenant, without penalty or default, for (i) any amount of rent in excess of the Base Rent, as set forth herein which Tenant must pay for Tenant's continued occupancy at its present location or for any temporary or alternate premises which Tenant must obtain beyond the Scheduled Lease Commencement Date of this Lease (this shall include any payment of rent for a full month which Tenant must pay for its continued occupancy at its present location, even though in that last calendar month, Tenant may move to the Premises (or the respective parcel) described herein, in the middle of such calendar month), and (ii) any reasonable additional expenses which Tenant incurs in continuing to occupy space beyond the Scheduled Lease Commencement Date of this Lease, or in moving to a temporary location; and (iii) any costs or damages (however, specifically excluding loss of business or consequential damages (which are expressly excluded under the terms of this Lease)), including reasonable attorney's fees, caused by such delay in occupancy. For purposes hereof, Tenant's present location is situated at 200 East Church Street, Elmira, New York, pursuant to the terms of a Lease dated December 19, 1994, as amended (hereafter the "Present Lease"), and any holdover under the terms of this Present Lease shall be on a month to month basis, subject to the "Holding Over" provision of such Present Lease, a copy of which provision is attached hereto as Exhibit L (PRESENT LEASE HOLD-OVER PROVISION), and subject to any additional rent and/or electricity payments which Tenant shall be responsible for during the period of time which Tenant holds-over at this location, as opposed to moving to the Premises. Tenant's monthly base rent under this Present Lease shall be \$20,704.00 per month, as of the expiration date of this Present Lease (excluding any hold-over penalties).

If Landlord is not able to deliver possession of the entire Premises to Tenant (and such is not due to the negligence, willful misconduct or a willful omission of Tenant, or its agents, contractors or employees), within two (2) months after the date described in Exhibit D for delivery of possession, Tenant shall have the option to terminate this Lease upon giving written notice to Landlord.

In the event the Scheduled Lease Commencement Date does not occur due to a Landlord Delay (as defined in Exhibit D) or an event of Force Majeure, then, the monthly installments of Base Rent and any other sums due hereunder shall not commence to accrue until the actual Lease Commencement Date, and the Lease Expiration Date shall be extended accordingly. However, notwithstanding anything to the contrary contained herein, if the Premises is not Substantially Completed (as defined in Exhibit D) on or before the Scheduled Lease Commencement Date due to a Tenant Delay (as hereafter defined), then the Lease Commencement Date shall be deemed to be the date when the Premises would have been Substantially Completed if not for such Tenant Delay (i.e. which shall be the first business day following a period of three (3) months after the date which Landlord delivers possession of the Premises to Tenant, provided that Tenant did receive possession of the Premises as of the Possession Delivery Date, set forth in Exhibit D), and the monthly installments of Base Rent and any other sum due hereunder shall commence to accrue as of such date. [In the event Landlord does not deliver possession of the Premises to Tenant as of the Possession Delivery Date described in Exhibit D, and a Tenant Delay still occurs, the Lease Commencement Date shall be deemed to be the date when the Premises would have been Substantially Completed (i.e. which shall be the first business day following a period of three (3) months after the date which Landlord delivers possession of the Premises to Tenant, if not for such Tenant Delay adjusted by the number of days which Landlord did not deliver the Premises to Tenant, as scheduled.]

For purposes hereof, a Tenant Delay shall mean any of the following: (i) Tenant's failure to deliver Plans and Specifications to Landlord in the manner described in Exhibit D; (ii) Any changes to Tenant's Final Plans and Specifications or the Base Building Work, each as defined in Exhibit D, which change(s) cause an actual delay in completing the Tenant Improvement work, such that the Tenant Improvement work is not completed within the period of time set forth herein and in Exhibit D; (iii) Delays caused by the performance of the Tenant Improvement work or the Base Building Improvement Work or by any of Tenant's employees, agents, or contractors, including, without limitation, not diligently commencing the Tenant Improvement work upon receipt of possession of the Premises from Landlord; or (iv) Any non-compliance by Tenant with the terms of Exhibit D, provided that such non-compliance does not result from a negligent act or willful omission or willful misconduct of Landlord or its agents, contractors or employees (hereafter any event being a "Tenant Delay").

2.08 IMPROVEMENTS

Tenant shall accept the Premises in its "as is" condition, with all of the Base Building Improvements, as described in Exhibit C (BASE BUILDING IMPROVEMENTS), included therewith, in their "as is" condition, subject to the Base Building Improvement Work to be performed by Tenant, at Landlord's sole cost and expense. Landlord hereby represents that the Base Building Improvements, excluding the Base Building Improvement Work, have been installed in a first-class and workman like manner and are in good working order and condition. In addition, Landlord shall provide Tenant with an allowance, as

further described in Exhibit D (WORK LETTER AGREEMENT), in order for Tenant to prepare the Premises for its occupancy (the "Tenant Improvement Allowance"). The Tenant Improvement Allowance shall be provided to Tenant, in accordance with the terms of Exhibit D, and shall be for Tenant's Improvement work only, and shall not be used to pay for any Base Building Improvements or Base Building Improvement Work, which are to be completed (if not already completed) at Landlord's sole cost and expense. The Tenant Improvement Allowance shall be subject to the following:

a. Tenant shall coordinate and manage any Tenant Improvement work, including design and build-out of the Premises, in accordance with the terms of this Lease;

b. Tenant may select, at its discretion (and Landlord agrees not to specify the same), all consultants and vendors including architects, engineers, consultants, contractors and subcontractors for performance of the Tenant Improvements;

c. The Tenant Improvement Allowance is intended to cover all hard and soft costs associated with the Tenant Improvements, including but not limited to, construction, architecture and consultant fees, furniture, moving, voice and cabling costs;

d. There shall be no Landlord supervision or administrative fees associated with the Tenant Improvements; and

e. Tenant may retain any unused portion of the Tenant Improvement Allowance and the same shall be credited to Tenant in the form of a reduction of the monthly installments of annual Base Rent, until such unused portion is exhausted.

The Tenant Improvements shall be performed and completed by Tenant in accordance the terms of Exhibit D. Any Tenant Improvements completed by Tenant shall immediately become the property of Landlord, upon completion, unless otherwise agreed to in writing.

In addition to the foregoing, Landlord hereby represents and warrants to Tenant, that as of the date of this Lease, (i) there are no water leaks within the Building or the Premises, and (ii) the carbon monoxide (CO 2) fumes from the garage are not entering the Premises. In the event that at any time during the Lease Term, any water leaks occur, or the carbon monoxide fumes from the garage are detected within the Premises, Landlord shall repair and/or correct the same, in accordance with Section 4.02 (REPAIRS AND MAINTENANCE) hereof (and in accordance with any Laws governing the same); however, notwithstanding anything contained therein or in Section 3.02 (ESCALATION), at Landlord's sole cost and expense.

**ARTICLE III.
TENANT'S OBLIGATION TO PAY RENT**

3.01 RENT

Tenant agrees to pay to Landlord Base Rent in monthly installments in the amounts set forth in Exhibit G (BASE RENT SCHEDULE) (the "Base Rent"), commencing as of the Lease Commencement Date, as finally determined in accordance with Section 2.06 (LEASE TERM) hereof (which for purposes hereof shall be deemed the "Rent Commencement Date"). The monthly installments of the Base Rent and Additional Rent Paid on Account (as hereinafter defined) shall be paid in advance, either by check or by electronic direct deposit, at Tenant's option, within the first ten (10) business days of each month. If such monthly installments are made by check they shall be sent to the address for payment of rent as shown in Article I(M). If such installments are made by electronic direct deposit, Landlord shall designate a bank account and shall furnish Tenant with a "Direct Deposit Authorization" in the form of Exhibit F (DIRECT DEPOSIT FORM). Landlord shall give Tenant notice if the address or bank account for rental payments changes. If the Lease Term commences or ends on a day other than the first day or last day of a calendar month, or if the Base Rent and/or Additional Rent for any calendar month is to be prorated for any reason, the monthly installments of the same shall be prorated on a per diem basis based upon the number of days in the calendar month.

The Base Rent shall be calculated on a "full service basis" which includes Building Operating Expenses, Real Estate Taxes, Building Services, utilities and parking (each as hereinafter defined).

3.02 ESCALATION

For the purposes of calculating the portion of any increases in the operating costs and the real estate taxes for the Building, including the Common Area Facilities, and the Land, where applicable, which Tenant shall pay Landlord as set forth herein, Tenant's Proportionate Share (as identified in Article I) is the percentage obtained by dividing the Rentable Area of the Premises by the Total Rentable Area of the Building.

A. Operating Cost Escalation

- (1) This section is intended to insure that Tenant pays for Tenant's Proportionate Share of all inflationary type increases in the costs of operations and maintaining the Building over the costs of the Base Year (as hereafter defined). In addition to the Base Rent, Tenant shall pay the Operating Cost Escalation (as hereinafter defined). The "Operating Cost Escalation" means the difference between Tenant's Proportionate Share of the Building Operating Expenses for the Base Year and Tenant's Proportionate Share of Building Operating Expenses for the calendar year in question.

For the purposes of this Section 3.02, Operating Cost Escalation shall be subject to the following: :

- (i) Base Year shall mean the calendar year 1999.
- (ii) Computation Year shall mean each full twelve (12) calendar months subsequent to the Base Year through the end of the Lease Term, as the same may be extended.
- (iii) Tenant's Proportionate Share shall mean the ratio, expressed as a percentage, of the Rentable Area of the Premises, measured as described in Section 2.04, to the entire rentable area in the Building, which is currently FIFTY THREE THOUSAND FOUR HUNDRED SIXTY-SIX (53,466) rentable square feet. The numerator of Tenant's Proportionate Share is subject to adjustment if the rentable square foot area of the Premises changes pursuant to the provisions of this Lease, and the denominator of Tenant's Proportionate Share is subject to adjustment if the rentable square foot area of the Building increases, however, subject to the terms of Section 2.03 hereof.
- (iv) Building Operating Expenses means the total actual out-of-pocket expenses paid by Landlord for the operation, maintenance and repair of the Property which are incurred during any calendar year or portion thereof, in accordance with generally accepted accounting principles consistently applied to first-class office buildings.

With the exception of Real Estate Taxes, which shall not be adjusted in the following manner, the Operating Expenses for the Base Year shall be adjusted, if necessary, to a level of 95 % occupied (or the actual percentage occupied if higher) and a fully operational first-class office building at costs levels prevailing in the geographic market which the Building is located for an entire year. This adjustment shall include; (a) when building systems are under warranty during the Base Year, an adjustment for the cost of service contracts and other expenses that would have been incurred in the absence of such warranties, and (b) adjustments for all other atypical costs that occur or do not occur during the Base Year other than those costs which would occur in the Base Year in the ordinary course of business. The purpose of these adjustments is to include in the Operating Expenses for the Base Year all reasonable cost components that occur or are likely to occur in later years.

If at any time during the Lease Term, less than 95% (or the actual percentage occupied if higher) of the Total Rentable Area of the Building is occupied by tenants, or the Landlord is not supplying services to 95 % of the Total Rentable Area of the Building (or the

actual percentage occupied if higher) at any time during any calendar year, the Operating Expenses (not including Real Estate Taxes) for such calendar year shall be reasonably determined to be an amount equal to the expenses that would normally be expected to be incurred had such occupancy been 95% of the Total Rentable Area of the Building (or the actual percentage occupied if higher) and had Landlord been supplying services to 95 % of the Total Rentable Area of the Building (or the actual percentage occupied if higher) throughout the calendar year. The only costs which shall be adjusted in this manner shall be variable expenses (specifically excluding Real Estate Taxes), otherwise includable as Operating Expenses, where the amount is directly related to the level of occupancy or square foot area receiving a particularly service. Landlord will indicate which expenses were adjusted in this manner on Exhibit B-1 (OPERATING COST INFORMATION FORM). Landlord will provide specific calculations detailing this adjustment upon Tenant's request. In addition, Landlord shall provide Tenant, at Tenant's request, with copies of all contracts for services, where the cost associated therewith shall be related to the level of occupancy of the Building, or the square foot area receiving such service, in order to evidence to Tenant that the costs thereof shall be adjusted in the manner set forth in this paragraph.

If a new category of expense is incurred after the Base Year, the first full year's expense for such item shall be added to the Operating Expenses for the Base Year commencing with the first full calendar year that such expense is incurred, so that Tenant shall only be required to pay subsequent increases in such expense. The expense incurred for such item during the first year shall be subject to the adjustments described in the immediately preceding paragraphs of this sub-section.

Where Landlord allocates Operating Expenses to the Building, the Common Area Facilities or the Land, which Operating Expenses are shared with other buildings; (i) the costs so allocated must be clearly identified on the Operating Cost Information Form in accordance with Exhibit B-1 (OPERATING COST INFORMATION FORM); (ii) the rationale and the underlying method of allocation must be set forth in detail; and (iii) the benefit enuring to Tenant quantified. Absent the foregoing disclosure, allocated costs shall, in no event, be deemed Operating Expenses. Tenant reserves the right to challenge the propriety of all allocated costs.

- (2) Building Operating Expenses shall mean the following reasonable expenses which are paid or incurred (computed on an accrual basis), as permitted pursuant to generally accepted accounting principles, consistently applied, for operating and maintaining the Building, the Common Area Facilities and the Land in a first-class manner, as

described in Section 10.07 (FIRST-CLASS BUILDINGS):

- (a) janitorial services and supplies;
- (b) maintenance and engineering services and supplies;
- (c) fire and extended coverage, rental interruption and liability insurance applicable solely to the Building;
- (d) water, sewer use, gas and other fuel's and other utilities;
- (e) electricity used by Landlord in the operation and maintenance of the Building;
- (f) A property management fee of not greater than four percent (4%) of the gross receipts from the Building (exclusive of Tenant reimbursements or capital expenditures) applicable to the Building for said calendar year. However, if the Landlord is not the City of Elmira such fee may include salaries and wages of employees, other than employees above the grade level of building superintendent or building manager, whose time is spent directly and solely in the operation of the Property, together with a property management fee of not greater than three percent (3 %) of the gross rents (exclusive of tenant reimbursements or capital expenditures) applicable to the Building for said relevant calendar year.

Management fees for the Base Year shall be computed as if 95% of the Building was occupied (or the actual percentage occupied if greater) during that year, at Tenant's Base Rent, including reasonably anticipated amounts for escalations and other rents; however, without regard to rent abatements or other concessions. After the Base Year, management fees shall be computed for unoccupied space by using Tenant's Base Rent, including reasonably anticipated amounts for escalation; and for occupied space by substituting, with respect to such leased space, the actual base rents, including reasonably anticipated amounts for escalations and other rents, without regard to rent abatements or other concessions of those tenants. This provision (g) will supersede, with respect to management fees, the general gross up set forth above.

- (g) expenses incurred in connection with emergency systems and systems for policing and protecting the Building;
- (h) assessments on real property excluding Real Property Taxes; and

- (i) other reasonable expenses other than reserves.
- (3) Notwithstanding anything in this Lease to the contrary, the following expenses are excluded from Building Operating Expenses:

- (a) Capital expenditures, including any capital replacement, capital repair or capital improvement made to the Building, the Common Area Facilities or the Land and any other expense which would be deemed to be a capital expenditure under generally accepted accounting principles, consistently applied. Replacement of an item or of a major component of an item and major repairs to such items in lieu of replacement shall each be considered a capital expenditure if the original item or a subsequent improvement to such item was, or could have been, capitalized.

Capital expenditures of \$1,000.00 or less may be included in Building Operating Expenses. For purposes of this clause, a group of expenditures related to the same capital project shall be considered a single expenditure;

- (b) Depreciation or amortization of the Building or its contents or components;
- (c) Expenses for the preparation of space or other work which Landlord performs for any tenant or prospective tenant of the Building;
- (d) Expenses for repairs or other work which is caused by fire, windstorm, casualty or any other insurable occurrence, including costs subject to Landlord's insurance deductible;
- (e) Expenses incurred in leasing or obtaining new tenants or retaining existing tenants, including leasing commissions, legal expenses, advertising or promotion;
- (f) Legal expenses incurred in enforcing the terms of any lease;
- (g) Interest, amortization or other costs, including legal fees, associated with any mortgage, loan or refinancing of the Land, the Building or the Common Area Facilities;
- (h) Expenses incurred for any necessary replacement of any item to the extent that it is covered under warranty;
- (i) The cost of any item or service which Tenant separately reimburses Landlord or pays to third parties, or that Landlord

provides selectively to one or more tenants of the Building, other than Tenant, whether or not Landlord is reimbursed by such other tenant(s). This category shall include the actual cost of any special electrical, heating, ventilation or air conditioning required by any tenant that exceeds normal building standards or is required during times other than the Business Hours, as hereinafter defined in Section 4.01 (SERVICES FURNISHED BY LANDLORD);

- (j) Accounting and legal fees relating to the ownership, construction, leasing, sale or any litigation relating to the Building, the Common Area Facilities or the Land;
- (k) Any interest or penalty incurred due to the late payment of any Building Operating Expense;
- (l) Any amount paid to an entity or individual related to Landlord which exceeds the amount which would be paid for similar goods or services on an arms-length basis between unrelated parties;
- (m) The cost of correcting defects in the construction of the Building, the Common Area Facilities or the Land; repairs resulting from ordinary wear and tear shall not be deemed to be defects;
- (n) The initial cost or the replacement cost of any permanent landscaping, or the regular landscaping maintenance for any property other than the Land;
- (p) Any costs of complying with any governmental laws, rules, regulations, or other requirements applicable to the Land, the Building, the Common Area Facilities, or the Premises;
- (q) Any ground rent, air space rent or other rent incurred for the Land;
- (r) The cost of correcting any applicable building or fire code violation(s) or violations of any other applicable law relating to the Building, the Common Area Facilities or the Land, or the cost of any penalty or fine incurred for non-compliance with the same;
- (s) Any costs incurred to test, survey, cleanup, contain, abate, remove or otherwise remedy Hazardous Materials, as hereinafter defined in Section 6.02 (ENVIRONMENTAL COMPLIANCE), or asbestos containing materials from the Building, the Common Area Facilities or the Land, including

any damages or future claims asserted against Landlord in connection with the same;

- (t) Any personal property taxes of the Landlord for equipment or items not used directly in the operation or maintenance of the Building;
- (u) All expenditures pertaining to the administration of the Building, the Common Area Facilities and the Land, including payroll and payroll-related expenses associated with administrative and clerical personnel; general office expenditures; other administrative expenditures (including expenditures for travel, entertainment, dues, subscriptions, donations, data processing, errors and omissions insurance, automobile allowances, charitable contributions, political donations and professional fees of any kind) unless specifically enumerated as Building Operating Expenses ;
- (v) Rentals and other related expenses. if any. incurred in leasing capital items;
- (w) Any costs or expenses for sculpture, paintings, or other works of art, including costs incurred with respect to the purchase, ownership, leasing, repair, and/or maintenance of such works of art;
- (x) Contributions to Building Operating Expense reserves;
- (y) The cost of overtime or other expense to Landlord in performing work expressly provided in this Lease to be borne at Landlord's expense;
- (Z) All expenses directly resulting from the negligence or willful misconduct of the Landlord, its agents, servants or other employees;
- (aa) All bad debt loss, rent loss, or reserve for bad debt or rent loss;
- (bb) Any other cost or expense which, under generally accepted accounting principles consistently applied, would not be considered to be an operating cost of the Building;
- (cc) Any additional costs incurred in order to operate or maintain the Building or costs directly incurred by the Landlord due to the nature of business conducted by any tenant(s) ~~within the Building~~ which would not customarily be incurred in an office building, including, however not limited to, retail or food service tenants;

- (dd) Any and all costs, charges and expenses incurred by Landlord in connection with any change of any company providing electricity or other utility service to the Building, Common Area Facilities or the Premises or telecommunication services to the Building, the Common Area Facilities or the Premises, including, but not limited to, maintenance, repair, installation or services and costs associated therewith; and
- (ee) Expenses incurred in connection with bringing to a level of "year 2000 compliant" standard, any portion of the Building or any of the Building mechanical systems or equipment including but not limited to any plumbing, sprinkler, HVAC systems, Building electrical and mechanical lines and equipment associated therewith, the elevators or boilers or any of the life/safety or Building security systems.

B. Real Estate Tax Escalation

Real Estate Taxes shall mean all taxes, assessments, levies and other charges, general and special, ordinary and extraordinary, foreseen and unforeseen, of any kind and nature whatsoever, which shall or may be during the term assessed, levied, charged, confirmed or imposed upon the Property and provided that said Real Estate Taxes have been finally determined by legal proceedings or otherwise to be legally payable but shall not include any municipal, state or federal capital levy, estate, succession, inheritance, transfer, sales, use or franchise taxes, or any income, profits, or revenue tax, assessment or charge imposed upon the rent received as such by the Landlord under this Lease; provided, however, that if at any time during the Term, Landlord, any affiliate of Landlord or any tenant of the Property shall receive an abatement of such taxes, assessments, levies or other charges, then Real Estate Taxes shall be deemed reduced by the amount of such abatement during the Computation Year that such abatement is received; provided, further, that if at any time during the Lease Term, the present method of real estate taxation or assessment shall be so changed that there shall be substituted for the whole or any part of such taxes, assessments, levies, impositions or charges, now or hereafter levied, assessed or imposed on real estate and improvements, a capital tax or other tax imposed on the rents or income received by Landlord from the Property or the rents or income reserved herein, or any part thereof, then all such capital taxes or other taxes shall, to the extent that they are so substituted, be deemed to be included within the term "Real Estate Taxes", but only to the extent that such taxes would be payable if the Building were the only property of the Landlord subject to such capital taxes or other taxes. In no event shall Tenant be obligated to pay interest or penalties imposed for late payment or otherwise. For purposes hereof, the Real Estate Taxes assessment for the Building for calendar year 1999, is \$38,862.00; however, in the event the Building no longer maintains a tax exempt status, or such tax exempt status is phased-out, over a period of years, the Base Real Estate

Taxes shall be determined as set forth below.

In the event the Building shall no longer be tax exempt, as hereafter described, special assessments may be included with Real Estate Taxes to the extent that (i) the special assessment benefits all tenants of the Building equally in proportion to a tenant's rentable area of the Building; (ii) the special assessment benefits the Building, as defined in this Lease, as opposed to another building within a project or park, and (iii) the special assessment is not incurred or paid by Landlord in lieu of a capital expenditure. As to any such special assessments which are payable over a period of time extending beyond the Lease Term, only a pro rata portion thereof, covering the portion of the Lease Term unexpired at the time of the imposition of such assessment, shall be included in Real Estate Taxes. If, after Tenant shall have made a Tax Payment, as hereafter defined, under this Subsection, Landlord shall receive a refund of any portion of the Real Estate Taxes on which such Tax Payment was based, as a result of a reduction of such Real Estate Taxes by final determination of legal proceedings, settlement or otherwise, Landlord shall within thirty (30) days after receiving the refund, pay to Tenant, Tenant's Proportionate Share of the refund.

"Tax Year" means the full fiscal period for each levied or assessed Real Estate Tax.

"Base Tax Year" means the later to occur of (i) calendar year 1999, or (ii) the first Tax Year in which the Building no longer carries a tax exempt status and is 100% fully assessed and 100% fully taxed, as a 100% fully completed structure.

"Base Real Estate Taxes" means Real Estate Taxes for the Base Tax Year.

Tenant shall not be responsible for any increase in Real Estate Taxes which results solely from the creation of additional rentable area on the Land or in the Building or from improvements or alterations made by Landlord or other tenants; provided, however, Tenant shall be responsible for any additional Real Estate Taxes which are imposed upon the Building and which result solely from the creation of additional rentable area in the Building due to Tenant's exercise of an Additional Space Option, pursuant to Section 5.05 hereof, or the exercise of a Right of First Offer, pursuant to Section 5.06 hereof, provided that there is an actual increase in the Total Rentable Area of the Building in accordance with the BOMA Method of measurement.

If (i) there is a tax abatement program or other reduction in effect at any time prior to or during the Base Tax Year which reduces Real Estate Taxes, or (ii) Real Estate Taxes are "phased in" during the Base Tax Year, or (iii) the Building is not 100% fully assessed and 100% fully taxed as a 100% completed structure, during the Base Tax Year, then in such an event the Real Estate Taxes for the Base Tax Year shall be adjusted in the subsequent Tax Years so that the Base Tax Year is computed on the same basis as the

Real Estate Taxes for the Tax Year(s) during which the tax abatement or phase-in is no longer in effect, or the Building finally represents a 100% fully assessed, 100% fully taxed Building as a 100% completed structure.

For example, if Real Estate Taxes for the Base Tax Year are reduced by fifty percent (50%), or are phased in to the extent of the Building being only 50% assessed, as part of a tax abatement program; and then Real Estate Taxes are reduced by 25%, or are phased in to the extent of the Building being only 75% assessed for the next Tax Year (year 2), and then are not reduced at all, or the Real Estate Taxes are 100% fully phased in for the following Tax Year (year 3), for purposes of computing the increase for year 2, the Base Year Real Estate Taxes shall be recomputed as if there were a 25 % abatement in effect, or the Real Estate Taxes were 75% of full assessment, and for purposes of computing the increase for year 3, the Base Real Estate Taxes shall be computed as if there were no abatement in effect, or the building was 100% fully assessed. In such an event, year 3 would therefore be considered the actual Base Tax Year.

It is the intention of the parties that the Tenant's obligation under this provision of the Lease is for all of the increases in the taxes caused by changes in the city, county and school Tax Rates over the Base Year, and not the increases in taxes that result solely from the Premises' change in status from tax exempt to taxable or partially taxable.

At Tenant's option, Tenant may bring appropriate proceedings in Landlord's name or Tenant's name or both for contesting any assessment for any Tax Year during the Lease Term. The net amount of taxes recovered as a result of such proceedings (e.g., the amount recovered after payment of all sums necessary to attain such recovery) shall be shared between Landlord and Tenant with Tenant receiving Tenant's Proportionate Share thereof. Landlord shall cooperate with Tenant with respect to the proceedings so far as is reasonably necessary.

Any increase in Real Estate Taxes for the Building or the Land resulting from a refinancing or sale of the Building or the Land shall be added to the Base Real Estate Taxes.

C. Payment of Additional Rent

In addition to the annual Base Rent set forth in Exhibit G (BASE RENT SCHEDULE), for each Computation Year during the Term, Tenant shall pay Landlord the following sums (collectively "Additional Rent"):

- (i) The positive difference, if any, between Tenant's Proportionate Share of the Real Estate Taxes for the Base Tax Year, ~~and Tenant's~~ Proportionate Share of the Real Estate Taxes for any such Tax Year (the "Tax Payment"). The Tax Payment shall be made by Tenant in accordance with the terms of Section 3.02 and shall be subject to

adjustments as provided for in this Section 3.02. The Premises, being owned by a municipal corporation, are presently carried on the exempt tax rolls of the local taxing authorities. It is anticipated that the Premises may be subject to Real Estate Taxes at some point during the term or any extension of this Lease.

- (ii) The positive difference, if any, between Tenant's Proportionate Share of the Building Operating Expenses of any Computation Year, over Tenant's Proportionate Share of the Building Operating Expenses for the Base Year (the "Operating Expense Payment"); provided, however, that in no event shall the Operating Expense Payment for any Computation Year include an increase of more than four percent (4%) per year over the preceding Computation Year (the "Cap"). The Operating Expense Payment shall be made by Tenant in accordance with the terms of Section 3.02 and shall be subject to adjustment as provided for in this Section 3.02. This Cap shall be calculated each year for which the Building Operating Expenses are payable. This is only a limitation and it is the intent that Tenant shall pay Tenant's Proportionate Share, in any given year, of the lesser of (i) the actual Building Operating Expenses (less the Base Year Building Operating Expenses) or (ii) the capped amount of the Building Operating Expenses, as set forth herein (less the Base Year Building Operating Expenses).

Tenant shall make the first Tax Payment and Operating Expense Payment, if any, at the end of the first Computation Year following the Base Year or Base Tax Year, and within sixty (60) days of the receipt of a statement from Landlord in accordance with this Section 3.02. For each Computation Year or Tax Year after the first Computation Year or Tax Year, Tenant shall pay, (i) after the end of each such Computation Year or Tax Year, the Tax Payment, if any, owed by Tenant for the most recent Tax Year, and (ii) at the time of the payment of each monthly installment of Base Rent, an amount equal to one twelfth (1/12) of the actual Operating Expense Payment for the immediately preceding Computation Year. Said monthly payments shall serve as an estimate of the Operating Expense Payment for the then current Computation Year and shall be subject to adjustment based on the final calculation of the Operating Expense Payment as provided for in this Section 3.02.

After the end of each Computation Year, Tenant shall make or receive for any Computation Year after the first Computation Year, an Additional Rent payment or refund equal to any deficiency or excess between the actual Operating Expense Payment owed by Tenant for the most recent Computation Year and the amounts paid by Tenant as an estimate of the Operating Expense Payment in accordance with Section 3.02. Tenant shall pay such Additional Rent or receive such refund of Additional Rent within sixty (60) days following receipt of notice thereof and receipt of the statement described in Section 3.02.

Landlord shall pay before delinquency all Real Estate Taxes and Building Operating Expenses for the Property. Tenant shall pay to Landlord the Tax Payment and the Operating Expense Payment as provided herein.

Within ninety (90) days after the end of the Base Year and the end of each Computation Year, Landlord shall furnish to Tenant itemized statements certified by Landlord in the forms attached hereto as Exhibit B-1 (OPERATING EXPENSE INFORMATION FORM) and Exhibit B-2 (REAL ESTATE TAX INFORMATION FORM) setting forth the computed Real Estate Taxes, as defined in Section 3.02 (a)(iv) and Building Operating Expenses for the Base Year and for the most recently completed Computation Year or Tax Year, as the case may be, and Tenant's Tax Payment and Operating Expense Payment. Such statement shall include any receipted tax bills due and payable or paid by Landlord for the Base Tax Year or such Tax Year and shall include such detail as to Building Operating Expenses including invoices, copies of calculations and other such information as Tenant shall reasonably require.

Within two (2) years after receipt of any statement, Tenant shall have the right, by notice to Landlord, to dispute the inclusion and amounts of any item or items in any statement. In the event that Tenant disputes the inclusion or amounts of any item or items, and such dispute is not settled by agreement between Landlord and Tenant within thirty (30) days after notice has been delivered to Landlord, the dispute as to whether such item, items or amounts have been properly included in any such statement shall be determined by a firm of independent certified public accountants (the "Accountants"), said firm to be mutually acceptable to Landlord and Tenant. If Tenant shall dispute the inclusion or amounts of any item or items in any statements within sixty (60) days after receipt of such statement, then Tenant shall pay the Operating Expense Payment and the Tax Payment, excluding the items or amounts in dispute. The Accountants, Landlord, and Tenant all shall be entitled to review all records relating to the disputed items, and the parties shall be granted a hearing before the Accountants prior to the rendering of a determination by the Accountants. The determination of any such matter by the Accountants shall be final and binding upon both Landlord and Tenant and the expenses involved in such determination shall be borne by the party against whom the decision is rendered by the Accountants; provided, that if more than one item is disputed and the decision shall be against each party in respect of any item or items so disputed, the expenses shall be apportioned equitably according to the number of items decided against each party, and the amounts involved. If, at the time of such disagreement, Landlord and Tenant have not agreed upon and selected the Accountants, and Landlord unreasonably withholds or delays its approval of prospective Accountants for more than thirty (30) days, then Tenant shall be granted a right of set off against future payments of the Operating Expense Payment and the Tax Payment for the items in dispute. Notwithstanding the foregoing provisions of this Section

3.02. Tenant shall have the right within two years of the end of the Base Year or the Base Tax Year to dispute the amount of Building Operating Expenses calculated for the Base Year, or the Real Estate Taxes of the Base Tax Year. Any such dispute shall be settled by the Accountants selected as aforesaid. If the Accountants determine that the amount of Building Operating Expenses for the Base Year or the Real Estate Taxes of the Base Tax Year should be increased, then, at Tenant's election, Landlord shall refund to Tenant or credit against any rent due from Tenant any overpayment of Additional Rent for the applicable Computation Years or Tax Years.

If a dispute by Tenant of the items in said statements is decided against Tenant, then Tenant shall, to the extent such item remains unpaid, promptly pay to Landlord the amount of such item. To the extent that Tenant has made estimated payments to the Landlord of the Operating Expense Payment in accordance with Paragraph 7(c) in excess of the actual Operating Expense Payment, or to the extent that Tenant has made an overpayment of the Tax Payment, Tenant shall promptly receive a credit against Annual Base Rent from Landlord of such overpayment applied against each monthly installment of Annual Base Rent until the credit is eliminated; provided, however, that if any such credit against Annual Base Rent would become due after the expiration or termination of this Lease, Landlord shall promptly refund to Tenant the amount of any overpayment and said obligation of Landlord shall survive any such termination or expiration of this Lease.

Landlord will notify Tenant promptly and, prior to the expiration of any rights of appeal, of any increase in Real Estate Taxes resulting from other than a general increase in the tax rate. Should Landlord fail to notify Tenant of any such increase prior to the expiration of any appeal rights, such increase shall not be included in the computation of Real Estate Taxes.

Tenant's obligation with respect to the Operating Expense Payment and the Tax Payment shall survive the expiration or early termination of the Lease and all such payments shall be prorated to reflect only the actual period in which Tenant occupied the Premises.

Landlord's failure to render a statement with respect to increases in Building Operating Expenses or Real Estate Taxes for any Computation Year shall not prejudice Landlord's right to thereafter render a statement with respect thereto or with respect to any other Computation Year, provided that if such failure continues for more than one (1) calendar year, then Tenant shall not have any liability for increases in Building Operating Expenses or Real Estate Taxes under this Section 3.02 for any period which is more than one (1) calendar year old.

Tenant shall have the right, not more often than once a year, to examine, to copy and to have an audit conducted of all books and records of Landlord as shall pertain to Building Operating Expenses and Real Estate Taxes. Such

audit shall be conducted by an accounting/auditing firm retained by Tenant. All expenses of such audit shall be borne by Tenant unless such audit shall disclose an overstatement of Building Operating Expenses or Real Estate Taxes of three percent (3%) or more, in which case all expenses of such audit shall be borne by Landlord, and Tenant's Operating Expense Payment or Tax Payment shall be adjusted accordingly. In the event Landlord disputes the findings of said audit, and Landlord and Tenant are unable to reach an agreement with respect to any difference in such Building Operating Expenses or Real Estate Taxes, then Landlord and Tenant agree to submit the matter to the Accountants for resolution pursuant to the terms of Section 3.02 (g). If, at the time of such disagreement, Landlord and Tenant have not agreed upon and selected the Accountants, and Landlord unreasonably withholds or delays its approval of prospective Accountants for more than thirty (30) days, then Tenant shall be granted a right of setoff against future payments of the Operating Expense Payment and the Tax Payment for the items in dispute. Landlord shall maintain all books and records for a period of not less than two (2) years following the applicable Computation Year.

ARTICLE IV. LANDLORD'S OBLIGATIONS

4.01 SERVICES PROVIDED BY LANDLORD

Landlord shall provide Tenant with the following services at Landlord's sole cost and expense (the "Building Services"). Landlord shall provide these services, using first-class materials and workmanship, Monday through Friday from 6 a.m. to 9 p.m. and Saturday from 7 a.m. to 1 p.m. (the "Business Hours"), or as specified below. Landlord shall not be required to provide services on the following holidays: New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day (the "Holidays").

- A. A heating, ventilation, and air conditioning ("HVAC") system, as further described in Exhibit C (BASE BUILDING IMPROVEMENTS) for the Premises, fully equipped and of sufficient capacity to achieve maximum efficiency and conserves energy in its operation for Tenant's employees and business machinery and equipment. The HVAC system shall maintain the temperature in the Premises at not less than 72° F based upon a "dry-bulb" measurement (and 55° F based upon a "wet-bulb" measurement) in the winter and not more than 76° F based upon a "dry-bulb" measurement (and 60° F based upon a "wet-bulb" measurement) in the summer.
- B. Electrical current to the Premises for ordinary office use, lighting and the HVAC system, which shall be available 24 hours a day, 7 days a week, with a load capacity as set forth in Exhibit C (BASE BUILDING IMPROVEMENTS). Ordinary office use shall include, but shall not be limited to, the operation of office equipment, typewriters, word processors, personal computers, telephones, telecopy machines and photocopy machines.

In addition to the foregoing, Landlord shall also provide, install and replace, as necessary, light bulbs, tubes and ballasts as required to maintain a light level, evenly distributed, as set forth in Exhibit C (BASE BUILDING IMPROVEMENTS).

- C. Complete janitorial service and supplies, as described in Exhibit E (JANITORIAL SERVICES).
- D. Hot and cold water sufficient for drinking, lavatory, toilet and ordinary cleaning purposes.
- E. Security shall be provided by the Landlord. If additional security is required by Tenant, then it shall be mutually agreed to by the Landlord and Tenant.
- F. Automatic passenger elevators and freight elevators, which shall provide access to the Premises twenty four (24) hours a day, seven (7) days a week, including Holidays and when Tenant moves into and out of the Premises.
- G. Extermination and pest control when necessary.
- H. Maintenance of and service to all Common Area Facilities in order to maintain the same in a first-class condition. This maintenance and service shall include, but shall not be limited to cleaning, HVAC, electrical current and illumination, snow removal, de-icing, repairs, replacements, lawn care, trash disposal and landscaping.
- I. Electrical current and HVAC for the telecommunications rooms as described in Exhibit D (WORK LETTER AGREEMENT) shall be provided twenty-four (24) hours a day, seven (7) days a week.
- J. Condenser water, twenty-four (24) hours per day, seven (7) days per week for Tenant's supplementary air conditioning systems.
- K. Access to and egress from the Building, the Premises, the Common Area Facilities and the parking spaces provided by Landlord to Tenant pursuant to Section 4.03 (Parking), twenty four (24) hours per day, seven (7) days per week.

Tenant shall have the right to request any or all of the above Building Services outside of the Business Hours provided above, or on Holidays, and the same shall be supplied to Tenant, upon advance notice, at Tenant's cost and expense, subject to the terms of this paragraph. If more than one tenant directly benefits from these Building Services (outside of the Business Hours or on Holidays), then the cost of providing the Building Services during non-Business Hours or Holidays shall be allocated proportionately between or among the benefiting tenants based upon the amount of time each tenant benefits and the square footage of each tenant's premises. The cost for these additional Building Services, shall, in no event, exceed Landlord's actual costs, and the cost for additional HVAC shall be as stated in

Article I, and all shall be allocated as described above.

Notwithstanding an event of Force Majeure, as further described in Section 10.01 hereof, where prior notice to Tenant may not be possible, in the event that it is necessary for Landlord to cease or interrupt the electric service to (i) the Premises (or any portion of the Premises), or (ii) the Building (which will affect the Premises or any portion thereof), for scheduled repairs, maintenance or alterations, Landlord shall provide Tenant with at least two (2) weeks prior written notice of such cessation or interruption so that Tenant may prepare its systems and equipment for the same. Landlord's notice to Tenant of such cessation or interruption of the electric service shall set forth the date and time of such interruption, where the cessation or interruption will occur if it is other than the entire Premises, and the anticipated date and time when the electric service will be fully restored. The terms hereof are subject to the terms of Section 9.03 of this Lease.

Notwithstanding anything to the contrary contained in this Lease, Tenant shall have the right at any time and from time to time during the Lease Term to contract separately for service from the current providers of utility services, including, without limitation, telecommunication services, electricity, gas and water (the "Original Service Provider(s)") or to contract from other companies offering or providing alternate utility services and/or telecommunication services to the Building (individually an "Alternate Service Provider" and collectively "Alternate Service Providers"). Landlord shall cooperate with Tenant, Original Service Provider and any Alternate Service Providers at all times and as reasonably necessary shall allow Tenant, Original Service Provider and any Alternate Service Providers reasonable access to the Building's utility lines, feeders, risers, wiring and any other associated machinery located within the Building, the Common Area Facilities or the Premises for the purposes of allowing Tenant to implement the foregoing. Tenant hereby agrees to indemnify Landlord from and against any and all costs or expenses incurred by or imposed upon Landlord due to any change by Tenant to an Alternate Service Provider.

Without limiting any other obligation of Landlord under this Lease, Landlord represents and warrants to Tenant that all necessary equipment, software and appliances, including, but not limited to, elevators, HVAC systems, door locks, energy management systems and other Building systems or Building Services, will remain fully functional and perform their normal operations, without interruptions or malfunctions as a result of the transition from the calendar year 1999 to 2000. If any repairs or alterations must be made at any time to any of the aforesaid equipment, software or appliances in order to prevent or remedy any such interruptions or malfunctions in the Building systems or Building Services provided thereby, Landlord will promptly undertake such repair or alteration at its sole cost and expense. Any repairs, improvements or replacements which are to be capitalized shall be included as Building Operating Expenses as expressly provided for in Section 3.02 (ESCALATION) hereof.

4.02. REPAIRS AND MAINTENANCE

Landlord shall pay for and make all structural and mechanical repairs and replacements to the Premises, the Common Area Facilities and the Building, including the Building structure (including but not limited to the roof, exterior walls, bearing walls, support beams, foundation, columns, exterior doors and windows), systems, electrical and mechanical lines, fixtures and equipment (including but not limited to the Building life safety equipment and systems), broken or damaged glass and damage by vandals, except however, repairs or replacements which Tenant shall make to the Premises due to the misuse or negligence of Tenant. Landlord shall make all repairs and replacements necessary to maintain the Building in a first-class condition.

Landlord may obtain reasonable access to the Premises to perform repairs to the Building, the Common Area Facilities and the Premises at reasonable times upon twenty-four (24) hours prior notice to Tenant. Landlord or Tenant may make emergency repairs without giving the other party prior notice. If Tenant makes emergency repairs without giving Landlord prior notice, Landlord shall be obligated to reimburse Tenant for the cost of such emergency repairs. Any repairs or replacements which Landlord is required to make shall be made within a reasonable period of time after receiving notice or having actual knowledge of the need for such repair or replacement. When making repairs, Landlord shall take all necessary actions to protect Tenant's property and personnel from loss, damage and injury and to avoid disrupting Tenant's use and occupancy of the Premises.

4.03. PARKING

Landlord shall provide to Tenant, adequately lit parking spaces based on the Parking Ratio as set forth in Article I (1.01)(N)(REFERENCE DATA), in the Eastowne Parking Garage as designated on Exhibit A-4 (PLAN OF PARKING AREA), for Tenant's non-exclusive use, on a first come, first serve basis, at all times, at the cost and expense described in such Article 1.01(N). The requisite number of parking spaces, based upon the Parking Ratio, shall always be available to Tenant in the Eastowne Parking Garage, except to the extent otherwise provided for herein. In addition, Landlord hereby agrees, that in the event that such is no longer prohibited under New York Laws, or local code or ordinances, the second (2nd) floor of the Eastowne Parking Garage shall be reserved for Tenant's exclusive use, and the balance of Tenant's parking spaces shall be then accommodated in other areas of the Eastowne Parking Garage, however, to be on a first come, first serve basis with other parties, provided that Tenant's requisite number of parking space, based upon the Parking Ratio, are provided to Tenant. The Eastowne Parking Garage shall be adequately striped, lighted and secured to provide for the safety of Tenant's employees and guests. Adequate lighting and security shall be made available for Tenant's second shift operation, if Tenant so requests, at no additional cost to Tenant. Landlord hereby agrees, at Landlord's sole cost and expense, to provide additional lighting in the Eastowne Parking Garage for Tenant's security, if so requested by Tenant. The parking spaces shall be available and accessible to Tenant for Tenant's use twenty-four (24) hours per day, seven (7) days per week. Landlord shall only allow parking for vehicles consistent with the

typical and reasonable tenant composition of an office building. Notwithstanding anything in this Lease to the contrary, the Landlord's obligation to provide lighting shall not constitute or be construed to be any representation or warranty by Landlord with respect to any person's personal safety and security while in the Eastowne Parking Garage.

As set forth in Article 1.01 (Certain Terms) hereof, the Parking Ratio shall apply to all expansion space (as provided for herein) and any extension of this Lease Term or Renewal Term, as hereafter defined.

In the event that the Landlord no longer has the ability to provide the requisite parking spaces in the Eastowne Parking Garage, it will provide Tenant with comparable alternate parking spaces within the Centertowne Garage. These parking spaces in the Centertowne Garage shall be provided on the upper floors of such garage, and subject to the same terms and conditions as contained in this Section 4.03. If Tenant's number of parking spaces, as identified above, shall be reduced subsequent to an occurrence, as set forth in Sections 7.01 (DAMAGE OR CASUALTY) or 7.02 (EMINENT DOMAIN), or any other reason, and Landlord is not able to provide Tenant with comparable spaces within a two (2) block radius of the Premises, Landlord shall provide Tenant with a reduction in the Base Rent of Two and 00/100 Dollars (\$1.00) per RSF.

4.04. LIFE SAFETY REQUIREMENTS

Landlord shall at all times during the Lease Term, at no additional cost to Tenant, except as expressly set forth herein, maintain the fire alarms, emergency lighting and other related life safety systems and equipment, to comply with the New York State Fire Prevention and Building Code, along with all requirements of Federal, State, County, and City governments and all other governmental authorities having or claiming jurisdiction over the Building, the Common Area Facilities and the Land.

(Tenant) ↙
Landlord shall provide Tenant with a written emergency evacuation plan in accordance with the Occupational Safety and Health Administration (OSHA) standards, or any comparable standard if OSHA shall be superseded. Landlord shall also, upon written request of the Tenant, conduct no more than two (2) evacuation drills each calendar year in accordance with the local fire code.

4.05 BUILDING RULES AND REGULATIONS

Landlord shall equally enforce the Building Rules and Regulations, attached to this Lease as Exhibit J (BUILDING RULES AND REGULATIONS), upon all tenants in the Building. The purpose of the Building Rules and Regulations shall be to ensure the safety, care, order or cleanliness of the Building and Common Area Facilities. If any of the Building Rules or Regulations conflicts with or is inconsistent with any provision of this Lease, the Lease provision shall control. If Landlord modifies or supplements the Building Rules and Regulations, Landlord shall provide Tenant

with advanced written notification of such modification or supplement.

ARTICLE V. TENANT'S RIGHTS AND OPTIONS

5.01. SUBLEASING AND ASSIGNMENT

Tenant may, upon notice to Landlord, sublease all or any part of the Premises, provided that such sublease (i) does not cause Landlord to become in default of any other lease within the Building, nor (ii) shall be for a use as an adult entertainment business, as defined in the City of Elmira Code of Ordinances. In addition, Tenant may assign the Lease, with the prior consent of Landlord, not to be unduly withheld or delayed, subject to the terms of subsections (i) and (ii) of this paragraph. Landlord hereby agrees to provide Tenant with a list of any restrictions or non compete clauses as contained in such other leases which would affect Tenant's subleasing or assigning, as of the date of this Lease.

Notwithstanding the foregoing, Tenant may sublease all or any portion of the Premises or assign this Lease to its subsidiaries, affiliates and/or independent contracted insurance agents without first notifying Landlord, and without necessity of obtaining Landlord's prior consent. For the purpose of this Article, an "affiliate" shall mean a general or limited partnership in which Tenant or its parent or successor owns a general partnership interest and has the right to manage the partnership business, or an entity in which Tenant owns at least twenty-five percent (25 %) of the equity interests, or owns or has the right to cast the votes attributable to a majority of the voting interests, or any entity with which Tenant may merge or consolidate, any entity that purchases or owns substantially all of the assets or stock of Tenant, or any parent of Tenant, or any parent or subsidiary of Tenant's parent.

Any assignment or subleasing shall not release Tenant from liability under this Lease, except, however, if Tenant requests such a release from Landlord, and the creditworthiness of the proposed sublessee or assignee is approved by Landlord to be sufficient, which approval shall not be unreasonably withheld or delayed, and the rent to be paid by the proposed sublessee or assignee is the same or greater than that set forth in this Lease, in such an event Landlord shall approve of the release of liability. In order for Landlord to make such determination, Tenant shall provide Landlord, within thirty (30) days of the anticipated sublease or assignment commencement date: (i) the name and address of the proposed subtenant or assignee; (ii) the nature of the proposed subtenant's or assignee's business; (iii) the terms of the proposed sublease or assignment; and (iv) reasonable financial information so that Landlord can evaluate the creditworthiness of the proposed subtenant or assignee. If Landlord and Tenant cannot agree as to the adequacy of such sublessee's or assignee's creditworthiness, such matter may be subject to arbitration in accordance with Section 9.04 (ARBITRATION).

5.02 ALTERATIONS

Tenant may make improvements, additions, installations, decorations and changes ("Alterations") of a non-structural nature without the Landlord's prior written approval. Tenant may not make any other Alterations to the Premises without Landlord's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed. All Alterations shall become Landlord's property upon completion, unless otherwise agreed to in writing.

Systems furniture and Tenant trade fixtures, including moveable partitions, panels, screens, supplemental HVAC systems provided by Tenant and any UPS or emergency generator installed by Tenant are Tenant's property and are not included under this provision, and shall remain the property of Tenant at the expiration of the Lease Term, unless otherwise so elected by Tenant. In accordance with the foregoing, Tenant agrees to repair any damage caused by the removal of any UPS or emergency generator, and to restore the specific area which is affected by the same.

Tenant shall employ contractors who guarantee to use first-class materials and workmanship and who shall comply with all local building codes. Tenant shall not permit any lien to be placed on record with respect to any part of the Building or Premises for work or materials provided or obligations incurred by or for Tenant. Tenant shall discharge any such lien of record within thirty (30) days.

Prior to commencement of any work, Tenant shall provide Landlord with certificates of insurance indicating that each contractor employed by Tenant has in effect workers compensation insurance and general liability insurance with limits acceptable to the Landlord's Corporation Counsel and naming the Landlord, its officers and employees as additional insureds on a primary basis, for any claims arising out of the work which is performed by such Contractor. Landlord hereby agrees to provide Tenant, prior to the commencement date hereof, with a list of required limits for liability insurance, which Tenant shall require of its contractors.

5.03. TENANT SIGNAGE

Landlord shall provide Tenant with identification and signage, at Landlord's sole cost and expense, which shall include directory and suite entry signage, and monument signage or installing appropriate signage or logo on the Building exterior. In addition, Tenant shall be permitted (at Landlord's sole cost or expense) to install appropriate identification, either in logo form or signage form, on all entrance doors to areas leased by Tenant. All such signage shall be subject to Landlord's reasonable approval which shall not be unreasonably withheld, delayed or conditioned. As long as Tenant leases a majority of the Total Rentable Area of the Building, Tenant shall have the right to the most prominent Building or monument signage to be afforded to any tenant.

Landlord shall obtain Tenant's prior written consent, not to be unreasonably withheld or delayed by Tenant, if any insurance or financial services competitor of

Tenant requests approval to display any exterior sign. In addition, it is strictly understood and agreed that Landlord will not name the Building after any insurance company or other competitor of Tenant.

5.04. SURRENDER OF SPACE OPTION

During the initial Lease Term, Tenant shall have the option, at any time after the end of the third year of the Lease Term, upon providing Landlord six (6) months prior written notice, to surrender up to one hundred percent (100%) of Tenant's then existing Rentable Area of the Premises (the "Surrender of Space Option"). Tenant's notice to Landlord shall specify the date which the surrender shall occur (the "Surrender Date), and as of such Surrender Date, the Base Rent, any Additional Rent, and Tenant's Proportionate Share shall be proportionately reduced based upon the Rentable Area which is surrendered. In the event of surrender of a portion of the Premises, the portion of the premises being surrendered shall be of a reasonably leasable configuration, and accessible to another tenant.

In the event that Tenant exercises the Surrender of Space Option, Tenant shall pay to Landlord, on or before any surrender date, a sum equal to (i) the unamortized cost of the Tenant Improvement Allowance (exclusive of the cost of the Base Building Work, which was to be at Landlord's sole cost and expense) set forth in Exhibit D (calculated on a pro rata, per rentable square foot basis by comparing the rentable square footage of the Surrender Space to the rentable square footage of the entire Premises) plus (ii) the unamortized cost of the brokerage commission associated with the Surrender Space (also calculated on a pro rata, per rentable square foot basis), such sums to be amortized on a straight-line basis, with no interest, over the five (5) year initial term of this Lease (assuming level amortization over the five (5) year Lease Term), proportionately based upon the remaining Lease Term (the "Surrender Fee").

Notwithstanding the foregoing to the contrary, in the event that Tenant at any time surrenders space in response to a request by Landlord, the Base Rent and any Additional Rent paid on account hereunder, shall be proportionately reduced with respect to the surrendered portion of the Premises, and Tenant shall pay no Surrender Fee or additional amount to Landlord, in consideration of such surrender.

5.05. ADDITIONAL SPACE OPTION

Tenant shall have the following two (2) options, as further described below, to acquire additional space (Space A or Space B (collectively, the "Additional Space")), during the Lease Term, and during the following Option Periods (the "Additional Space Options", and individually, an "Additional Space Option"). Such Additional Space shall be contiguous to the Premises. In order to exercise an Additional Space Option (the "Exercise of an Additional Space Option"), Tenant must forward to Landlord written notice ("Tenant's Additional Space Notice"), during the respective Option Period, and at least one hundred twenty (120) days prior to the date which Tenant desires to commence the payment of Base Rent for the respective Additional

Space. Tenant's Additional Space Notice must be received by Landlord on or before the 14th day of a calendar month, and in such event, possession of the Additional Space shall be delivered to Tenant at the completion of the next full calendar month.

Additional Space Options

Space	Rentable Area	Option Period	Possession Delivery Date	Rent Commencement
A	Approx. 6,000 rsf	1/1/2000 - 12/31/2000	1 1/2 calendar months from date of Exercise of an Additional Space Option	Earlier of (i) 120 days from Possession Delivery Date; or (ii) the date which Tenant commences to conduct business within the Additional Space
B	Approx. 6,000 rsf	1/1/2001 - 12/31/2001	1 1/2 calendar months from date of Exercise of an Additional Space Option	Earlier of (i) 120 days from Possession Delivery Date; or (ii) the date which Tenant commences to conduct business within the Additional Space

Each parcel of Additional Space (i.e. Space A, which can only be acquired during the Option Period for Space A, and Space B, which can only be acquired during the Option Period for Space B), shall be subject to the same terms and conditions as the Premises, including without limitation, the Tenant Improvement Allowance (which for purposes of the Additional Space shall be pro-rated, based upon the remaining period of the Lease Term), the Base Building Improvements, the Base Building Work, the Parking Ratio, and any other concessions provided to Tenant in this Lease for the Premises; however, notwithstanding the same, the Base Year for Operating Expenses and the Base Tax Year for Real Estate Taxes (subject to the terms of Section 3.02(B) hereof), for the Additional Space, shall be the first full calendar year in which the Additional Space is leased by Tenant. In addition, any Additional Space acquired by Tenant hereunder, shall be co-terminous with the Lease Term for the Premises and shall expire as of the Lease Expiration Date, subject to any earlier termination, extension or renewal, set forth herein.

Upon Tenant's Exercise of an Additional Space Option, which Additional Space Options (for Space A and/or Space B) shall be independent of the other, Landlord shall deliver the respective Additional Space to Tenant in its "as is" condition, with

all of the Base Building Improvements, as described in Exhibit C (BASE BUILDING IMPROVEMENTS), included therewith, in their "as is" condition, subject to the Base Building Improvement Work to be performed by Tenant, at Landlord's sole cost and expense, as of the Possession Delivery Date set forth above for the Additional Space. Tenant shall commence the payment of Base Rent and any other sums due hereunder for the Additional Space, as of the Rent Commencement Date set forth above for the Additional Space, however subject to the terms of Sections 2.06 and 2.07 and Exhibit D hereof, which shall also apply to the Additional Space.

In the event that Tenant exercises an Additional Space Option, pursuant to the terms hereof, within thirty days thereafter, Landlord and Tenant shall enter into an amendment to this Lease, setting forth the terms of the Additional Space and amending, as necessary, the Rentable Area of the Premises, the Base Rent, and Tenant's Proportionate Share hereunder.

5.06. RIGHT OF FIRST OFFER

Commencing as of January 1, 2002 (hereafter the "Effective Date of this Right of First Offer Provision"), in the event that any space shall become available within the Building on or after the Effective Date of this Right of First Offer Provision, which Landlord intends to lease to a third party (subject to the rights of any existing tenants (which rights exist as of the date of this Lease)), Landlord shall notify Tenant in writing and offer (the "Offer") such available space to Tenant (hereafter the "Right of First Offer"). Landlord shall specify in such written Offer: (i) the location and rentable area of the space which has become available (the "Right of First Offer Space"); and (ii) the date upon which such Right of First Offer Space shall be available for occupancy. It is hereby understood and agreed that Landlord shall offer such Right of First Offer Space to Tenant upon all of the same terms and conditions as contained in this Lease, including, without limitation, (i) parking spaces, based on the Parking Ratio contained herein; (ii) the Base Rent, (iii) a prorated Tenant Improvement Allowance (prorated based upon the remaining Lease Term) and any other concessions (on a prorated basis) which are provided to Tenant hereunder; and (iv) the Lease Term for such Right of First Offer Space shall be co-terminous with the Lease Term, as described herein, and shall expire as of the Lease Expiration Date set forth herein, subject to any earlier termination or renewal, as further described in this Lease. Tenant may, within ten (10) days of receipt of the Offer notice, accept the terms of the Offer; and if Tenant accepts the Offer, within thirty (30) days thereafter enter into an amendment to this Lease for the Right of First Offer Space which is described in the Offer, under the terms and conditions specified in the Offer and herein.

Should Tenant fail to accept the Right of First Offer Space in writing within the ten (10) days of receipt of the Offer (with respect to such available space), then Landlord shall be free to lease such available space to any third party, but this Right of First Offer shall remain in effect with regard to any future available space which shall include the space which was set forth in the Offer notice, if a lease was not consummated for such space at such time and such space becomes available, or is to

become available.

Landlord shall tender the Right of First Offer Space, accepted by Tenant, as provided above, to Tenant in accordance with the terms of the Offer and this Lease, except that Landlord will tender such space to Tenant: (i) vacant; (ii) in compliance with all laws and governmental regulations including, without limitation, the Americans with Disabilities Act; (iii) broomclean and (iv) free from all claims and possessions of third parties.

5.07. RENEWAL OPTION

Tenant shall have the option to renew this Lease (the "Renewal Option") for two (2) additional terms of up to five (5) years each (each, hereafter, a "Renewal Term"), (without any additional option terms beyond the two (2) contained herein), upon the same terms and conditions as in the initial Lease Term, except that (i) the Base Rent for each Renewal Term shall be at a mutually agreed upon negotiated rate, which rate shall not exceed ninety percent (90%) of the Fair Market Rate (hereinafter defined) at that time, and (ii) the Base Year for Building Operating Expenses and the Base Tax Year for Real Estate Taxes shall also be updated for each Renewal Term to the calendar year or the Tax Year, as appropriate, which immediately follows the calendar year or Tax Year in which the respective Renewal Term commences. (In the event that Tenant does not exercise the Renewal Option for what would be the first Renewal Term, following the initial Lease Term, the second successive Renewal Option shall therefore be null and void and of no force or effect). "Fair Market Rate" shall mean the average of the annual rental rates then being charged in the office market sector of the area where the Building is situated, for comparable space for leases commencing on or about the time of the commencement of the lease term to which this definition applies, taking into consideration use, location and floor level of the applicable building, the location, quality and age of the building, leasehold improvements or allowances provided, rental concessions (such as abatements, lease assumptions or takeovers and moving expenses), the date that the particular rate under consideration became effective, the term of the lease under consideration, the extent of services provided thereunder, applicable distinctions between "gross" leases and "net" leases, base year figures for escalation purposes, brokerage fees saved due to the renewal, the period for which space would be vacant if Tenant were to vacate the space rather than to renew, the creditworthiness and quality of Tenant, and other adjustments to the base rental and any other relevant term or condition in making such evaluation, including bonafide written offers made to the Landlord by unrelated third parties at an arms-length basis to lease the same comparable space. For each renewal event, Tenant shall determine the amount of space that shall be subject to renewal and Tenant shall give Landlord at least six (6) months notice of Tenant's intent to exercise the respective Renewal Option, and Tenant's space requirements for such Renewal Term, prior to the expiration of the then Lease Term. Landlord shall notify Tenant of the proposed Base Rent for the Renewal Term within one (1) month(s) of receiving Tenant's notice each time. Landlord shall, within one (1) month of receiving Tenant's notice, notify Tenant, in writing, of its determination of the Fair Market Rent and/or the resulting Base Rent for the Renewal Term determined in

accordance with the formula provided in this Section 5.07 ("Landlord's Renewal Notice"). Landlord and Tenant shall agree upon the Base Rent for the respective Renewal Term and any other renewal terms within two (2) month(s) of Tenant's receipt of Landlord's Renewal Notice. If the parties cannot agree upon the Fair Market Rate and/or the resulting Base Rent for a Renewal Term, then the determination of the same shall be subject to Arbitration in accordance with Section 9.04 (ARBITRATION) hereof, otherwise this Lease shall automatically expire upon the Lease Expiration Date. In the event the determination of Fair Market Rent for a Renewal Term shall be submitted to Arbitration, notwithstanding the terms of Section 9.04, the arbitrators chosen to resolve the same shall be qualified MAI appraisers with a minimum of ten (10) years experience. If this Renewal Option is exercised, the Lease Expiration Date shall mean the last day of the renewed Lease Term, and the term "Lease Term" as used in this Lease, shall be deemed to mean any such Renewal Term of this Lease, as described in this Section 5.06, even if not expressly stated in this Lease.

5.08. HOLDING OVER

Tenant may continue to use the Premises, or any part of the Premises, after the Lease Expiration Date (or the Lease Expiration Date of any Renewal Term hereof), for a period of up to three (3) months, upon providing Landlord ninety (90) days prior written notice of Tenant's intention to do so prior to the expiration of the Lease term. Tenant's holdover tenancy shall be on a month-to-month basis, and shall not be construed as a tenancy at sufferance, and in no event shall Tenant be evicted or otherwise required to vacate the Premises, within such three (3) month period, unless Tenant has provided Landlord with written notice of its intention to vacate. Tenant shall pay Landlord monthly the Base Rent which is the same as the Base Rent for the last month of the Lease Term or any Renewal Term, together with the Additional Rent, applicable to the time which Tenant remains in possession. The Base Rent and Additional Rent shall be prorated on a per diem basis for the last month of the holdover period if such is less than one (1) full month. Tenant may holdover up to a maximum of three (3) months under this Section 5.07 (HOLDING OVER). In the event that Tenant shall remain in possession of the Premises beyond the period of three (3) months, Tenant shall be deemed a tenant-at-sufferance and Tenant shall pay Landlord monthly the Base Rent which is 125% of the Base Rent for the last month of the Lease Term or any Renewal Term, together with the Additional Rent, applicable to the time which Tenant remains in possession.

5.09. EARTH SATELLITE STATION

At any time during the Lease Term, at no additional rental cost, Tenant shall have the right to install, operate and maintain a satellite-earth communications station (antenna and associated equipment), microwave equipment and/or an FM antenna on the Building or the Land in an area designated by Landlord, which area shall be conducive to the operation of an earth satellite station. Tenant hereby acknowledges that Tenant currently maintains a satellite-earth communications station on the roof of the Building (pursuant to the terms of a separate lease which Tenant has at this Building with the Landlord, dated November 1, 1996 (hereafter

known as the "Prior Lease")), and Tenant hereby agrees not to maintain more than one (1) such satellite-earth communications station on the roof of the Building, at any one time, between the rights under this Lease and any rights which Tenant may have under the Prior Lease, during the Lease Terms of these respective leases (however, Tenant needs the option under this Lease in the event that the Prior Lease expires prior to the expiration of the Lease Term contained herein (the two leases are not co-terminous and are independent of each other)).

The satellite station or microwave equipment will be connected to communications equipment located within the Premises via cable. Adequate cable distribution and conduits will be made available to Tenant, at Tenant's expense.

Tenant agrees to comply with all applicable federal, state or local regulations, and shall obtain Landlord's approval for final equipment locations prior to its installation, which approval shall not be unreasonably withheld or delayed. Landlord will support Tenant's efforts to acquire local zoning permits, if such are required for this purpose.

The installation and required maintenance of this equipment shall be at Tenant's sole cost and expense and shall in no way deface or adversely alter the appearance of the Premises, the Building or the Land. Tenant will be responsible for removing the installation at the end of its tenancy, if Tenant so elects, or if Landlord so requires, and Tenant will repair any damage caused by such removal.

Landlord will cooperate with Tenant regarding the installation, maintenance, repair and removal of the satellite station by Tenant.

No other tenant may place a satellite station on the Building if Tenant's reception or transmittals will be adversely impaired.

ARTICLE VI. LIABILITY

6.01. INSURANCE

A. Landlord's Insurance

Landlord shall maintain in full force and effect during the Lease Term, and any renewal Lease Term, the insurance services office special property form of property damage insurance ("all risk") for the Building, the Common Area Facilities, the Land, including the Tenant Improvements described in Exhibit D (WORK LETTER AGREEMENT) and all improvements on the Land, in the amounts of the full replacement values thereof, as the values may exist from time to time; Boiler and Machinery Insurance; Commercial General Liability Form Insurance, including contractual liability, on an occurrence basis with limits of not less than \$1,000,000.00 per occurrence, and \$4,000,000.00 in excess coverage per occurrence; Worker's Compensation and Employer's Liability Insurance for all of Landlord's agents, employees

and contractors; Automobile Liability Insurance for any automobiles or vehicles operated by Landlord, its agents, employees and contractors in connection with the operation or maintenance of the Building, the Common Area Facilities and the Land, with limits of not less than \$1,000,000.00; and Earthquake or Flood Insurance if the Land is in an area where such hazards are a known risk. Landlord's insurance shall be issued by insurance companies licensed to do business in the state where the Building is situated, with a general policyholder surplus rating of at least A, and a financial rating of at least VIII in the most current Best's Insurance Report available at the time of execution of this Lease. If the Best's ratings are changed or discontinued, Landlord and Tenant shall agree to an equivalent method of rating insurance companies.

Landlord's insurance policies shall be primary in the event of a loss in the Common Area Facilities or on the Land, which is not due to the negligence of Tenant, its agents, contractors, employees or invitees.

Prior to the Lease Commencement Date, Landlord shall provide Tenant with certificate(s) of insurance evidencing the amounts and types of coverage described above.

B. Tenant's Insurance

Tenant shall maintain in full force and effect during the Lease Term and any renewal Lease Term: the special property form of property damage insurance (all risk") for Tenant's personal property and trade fixtures; Worker's Compensation Insurance for all of Tenant's employees working on the Premises; and Commercial General Liability Form Insurance, including contractual liability, with limits of not less than \$1,000,000.00 per occurrence, and \$4,000,000.00 in excess coverage per occurrence (including coverage for insured contracts), for injuries, losses, claims or damages to persons or property occurring on the Premises, and due to Tenant's use or occupancy of the Premises or to the negligence of Tenant, its agents, contractors, employees or invitees.

C. Right to Self Insure

Tenant and Landlord each reserve the right to self-insure or to insure with a blanket policy of insurance the liabilities and casualties specified in this Lease. In such case, the Tenant nor Landlord shall not be required to provide to each other any certificates or policies of insurance; however, the Tenant and/or Landlord shall provide to each other a letter confirming such insurance, if so requested.

D. Indemnification

Tenant hereby agrees to indemnify and hold Landlord harmless from and against any and all costs, damages, liabilities, and expenses (including

reasonable attorneys fees) suffered by or claimed against Landlord, based on, or arising out of, or resulting from: (i) Tenant's use and occupancy of the Premises or the business conducted by Tenant therein, (ii) any negligent act or omission by Tenant or its employees, agents or invitees, (iii) any liability imposed upon Landlord under Article 10 of the New York Labor Law arising as a result of any work performed by Tenant, or its contractors in or on the Premises, or (iv) any breach or default by Tenant in the performance or observance of its covenants or obligations under this Lease.

Landlord hereby agrees to indemnify and hold Tenant harmless from and against any and all costs, damages, claims, liabilities and expenses (including reasonable attorney fees) suffered by or claimed against Tenant, based on, or arising out of, or resulting from (i) any negligent act or omission by Landlord, or its employees, agents or invitees, or (ii) any breach or default by Landlord in the performance or observance of its covenants or obligations under this Lease.

E. Mechanics Liens

Notice is hereby given that Landlord shall not be liable for any labor or materials furnished or to be furnished to Tenant upon credit, and that no mechanics or other lien for any such labor or materials shall attach to affect the estate or interest of Landlord in and to the Premises. Whenever and as often as any mechanics lien shall have been filed against the Premises based upon any act or interest of Tenant, or of any one claiming through Tenant, or if any security interest conditional bill of sale, chattel mortgage or otherwise shall have been filed for or affecting any materials, machinery or fixtures which are part of the Premises and were installed by or at Tenant's expense, or with proceeds from the Tenant Improvement Allowance, or annexed thereto by Tenant, or its successors in interest, Tenant shall forthwith take such action by bonding, deposit or payment as will remove or satisfy the lien, security interest conditional bill of sale or chattel mortgage, and on default thereof for thirty (30) days after notice to Tenant, Landlord may pay the amount of such mechanics lien, conditional bill of sale or chattel mortgage, or discharge the same by payment or a deposit in the amount so paid or deposited, with interest thereon, shall be deemed additional rent reserved under this Lease and shall be payable forthwith with interest at the rate of nine percent (9%) per annum from the date of such advance and with the same remedies to Landlord as in case of default in the payment of rent or additional rent.

6.02 REQUIREMENTS OF LAW AND ENVIRONMENTAL COMPLIANCE

A. Landlord's Responsibilities, Covenants, Representations and Warranties:

- (i) Landlord shall, at its own expense, promptly observe and comply with all present and future laws, ordinances, requirements, orders, directions,

rules and regulations of federal, state, county and city governments and of all other governmental authorities having or claiming jurisdiction, directly or indirectly, over the Property (excluding Tenant's specific use of the Premises) or appurtenances or any part thereof (including environmental rules and regulations, and such regulations or standards as are or may be promulgated under the Federal Occupational Safety and Health Act of 1970 or similar federal state or local requirements), whether the same are in force at the commencement of the Term or may in the future be passed, enacted or directed (hereafter the "Laws"). Without limiting the generality of the foregoing, Landlord shall also procure each and every permit, license, certificate or other authorization now or hereafter required in connection with the lawful and proper use of the Property.

(ii) Landlord represents and warrants that the Property and its existing and to the best of Landlord's knowledge, its prior uses comply with, and Landlord is not in violation of, and has not violated, and will not violate in the future, in connection with the ownership, use, maintenance or operation of the Property and the conduct of the business related thereto, any applicable federal, state, county or local statutes, laws, regulations, rules, ordinances, codes, standards, orders, licenses and permits of any governmental authorities relating to environmental matters (being hereinafter collectively referred to as the "Environmental Laws"), including, without limitation (i) the Clean Air Act, the Federal Water Pollution Control Act of 1972, the Resource Conservation and Recovery Act of 1976, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, and the Toxic Substances Control Act (including any amendments or extensions thereof and any rules, regulations, standards or guidelines issued pursuant to act of said Environmental Laws), and (ii) all other applicable environmental standards or requirements.

(iii) The indoor air quality of the workplace shall conform to and/or fall within the regulatory standards of ASHRAE 62-1989, "Ventilation for Acceptable Indoor Air Quality"; and ASHRAE 55-1992, "Thermal Environmental Conditions for Human Occupancy", subject to any "grandfather" clauses of such standards.

(iv) Without limiting the generality of this Section 6.02, Landlord represents and warrants that Landlord, its agents, contractors and employees have operated the Property and have at all times received, handled, used, stored, treated, transported and disposed of all petroleum products and all other toxic, dangerous or hazardous chemicals, materials, substances, pollutants and wastes, and any chemical, material or substance, exposure to which is prohibited, limited or regulated by any federal, state, county, regional or local authority or which even if not so prohibited, limited or regulated, pose a hazard to the health and safety of the occupants of the Property or the occupants or owners of property near the Property (all of the foregoing being hereinafter collectively referred to as "Hazardous Materials") in strict compliance with all applicable Environmental Laws, as defined

above, governing the same..

(v) To the best of Landlord's knowledge, Landlord represents and warrants that there are no existing statutes, orders, standards, rules or regulations relating to environmental matters requiring any remedial actions.

(vi) During the period in which Landlord has owned the Property, to the best of Landlord's knowledge, Landlord represents and warrants that no Hazardous Materials have been released into the environment, or deposited, spilled, discharged, placed or disposed of at, on or near the Property, nor has the Property been used at such time by any person as a landfill or a disposal site for Hazardous Materials or for garbage, waste or refuse of any kind.

(vii) Landlord represents and warrants that there are no electrical transformers or other equipment containing dielectric fluid containing polychlorinated biphenyls (PCB's) in excess of 50 parts per million nor is there any asbestos contained in, on or under the Property.

(viii) To the best of Landlord's knowledge, Landlord represents and warrants that there are no locations off the Property where Hazardous Materials generated by or on the Property have been treated, stored, deposited or disposed of.

(ix) To the best of Landlord's knowledge, Landlord represents that there is no fact pertaining to the physical condition of the Property or the area in the Property (i) which Landlord has not disclosed to Tenant in writing prior to the date of this Lease, and (ii) which materially adversely affects or will materially adversely affect the Property, or the use or enjoyment or the value thereof, or Landlord's ability to perform the obligations contemplated by this Lease.

(x) Landlord represents and warrants that no notices of any violation of any of the matters referred to in this Section 6.02 relating to the Property or its use have been received by Landlord and there are no writs, injunctions, decrees orders or judgments outstanding, no lawsuits, claims, proceedings or investigations pending or threatened, relating to the ownership, use, maintenance or operation of the Property, nor is there any basis for such lawsuits, claims, proceedings or investigations being instituted or filed.

(xi) In the event Landlord or Tenant confirms any environmental hazard on the Land or affecting the Land, or in the Premises, the Building or the Common Area Facilities, or if any of the foregoing situations or violations of any Environmental Laws are found to exist or come into existence, including the existence of friable asbestos containing materials or PCB's as aforementioned, or if any Hazardous Materials exist in the Building, in violation of any Environmental Laws, and the same have not been caused by Tenant, its employees, agents, contractors or invitees (an "Environmental

Condition") and such Environmental Condition, in Tenant's reasonable judgment, threatens the health or safety of Tenant's agents, contractors, employees or invitees, or requires that Tenant be closed for business or access be denied for greater than a twenty-four (24) hour period, then Base Rent and any other sums due hereunder will be abated during the period beyond twenty-four (24) hours. If Landlord has not commenced with diligence to cure such Environmental Condition and completed such cure within thirty (30) days following receipt of written notice of the same from Tenant to Tenant's satisfaction, Tenant may terminate this Lease by written notice to Landlord and vacate the Premises, whereupon Tenant shall have no further obligation under the Lease (including no further obligation to pay Base Rent, the Operating Cost Escalation or the Real Estate Tax Escalation) after the date Tenant vacates the Premises.

In addition, if at any time during the term of the Lease, non-friable asbestos containing material is found to be present in the Premises, the Building, or the Common Area Facilities, and such is not due to an act of Tenant, Landlord hereby agrees to implement and maintain throughout the Lease Term, as renewed or extended, or until the sooner of the termination of the Lease, or one (1) year after all asbestos containing material has been removed from the Premises, the Building, or the Common Area Facilities, and such removal properly documented, at Landlord's sole cost and expense, without cost to Tenant, an ongoing Operations and Maintenance Program, in accordance with any guidelines established by the EPA (the "O&M Program").

(xii) (1) Landlord agrees to indemnify, defend and hold Tenant harmless from any and all claims, damages, costs and expenses, including attorney fees, incurred by or imposed upon Tenant, due to (i) any liability arising from any environmental claims, as described in Section 6.02, or from the presence of Hazardous Materials in the Building, or on the Land, as described in Section 6.02, or (ii) Landlord's failure to comply with any Laws or Environmental Laws (as described in this Section 6.02) relating to the Building, the Premises or the Property, which Landlord is required to comply with hereunder.

(2) Notwithstanding the foregoing, the Tenant agrees to indemnify, defend and hold Landlord harmless from any and all claims, damages, costs and expenses, including attorney fees, incurred by or imposed upon the Landlord, due to (i) any liability arising from any environmental claims, as described in Section 6.02, resulting from any act or omission of the Tenant or Tenant's agent, or from the presence of Hazardous Materials in the Building, the presence of which were caused by Tenant or Tenant's agents, or on the Land, as described in Section 6.02, which Hazardous Materials were placed upon the Land by the Tenant or Tenant's agents, or (ii) Tenant's failure to comply with any Laws or Environmental Laws (as described in this Section 6.02) relating to the Building, the Premises or the Property, which Tenant is required to comply with hereunder.

B. Tenant's Responsibilities

Tenant shall be responsible for compliance with all the Laws which are applicable to the Tenant's particular use and manner of use of the Premises and the Common Area Facilities.

In the event that Tenant's particular use of the Premises and the Common Area Facilities violates any provision of the Laws, including but not limited to the ADA, Tenant shall bear all expense, cost and liability for compliance with such Laws. Tenant hereby agrees to indemnify, defend and hold Landlord harmless from any and all loss, cost, liability or expense, including without limitation reasonable attorney fees, resulting from Tenant's failure to comply with all the Laws relating to its particular use and manner of use of the Premises and the Common Area Facilities.

ARTICLE VII. LOSS OF PREMISES

7.01 DAMAGE OR CASUALTY

If the Premises or the Building are totally destroyed by fire or any other casualty, this Lease shall automatically terminate as of the date of such destruction. If the Premises, Building, Common Area Facilities, or any portion thereof is partially damaged or destroyed by fire or other casualty, then, except as provided below, the damage shall be promptly repaired and the Premises, the Building, or the Common Area Facilities restored or replaced by and at the sole cost and expense of Landlord (including any Tenant Improvements and betterments in the Premises made and installed by Landlord, or at Landlord's sole cost and expense). The Premises, Building, Common Area Facilities, or any portion thereof, shall be restored, replaced or rebuilt to a condition comparable to their condition immediately prior to the damage or destruction and to the standard of "substantial completion", as defined in Exhibit D, within ninety (90) days after the occurrence of such damage or casualty.

Within thirty (30) days after the date of the damage or casualty, Landlord shall deliver to Tenant a statement, prepared by a reputable independent contractor, setting forth such contractor's estimate as to the time required to repair such damage or casualty. In the event such damage or casualty is not susceptible of complete repair and restoration, to the standard of "substantial completion", within sixty (60) days after the date of such statement (or within ninety (90) days from the date of the occurrence of such damage or casualty), then either Landlord or Tenant may, by written notice to the other, terminate this Lease as of the date of such damage, provided such notice is given within twenty (20) days after the date which Tenant receives the contractor's statement. If either Landlord or Tenant elects to terminate the Lease, then Tenant shall vacate the Premises, as applicable, and the Lease Term shall expire. If both Landlord or Tenant shall not elect to terminate the

Lease pursuant to this Section 7.01, the damage or casualty shall be repaired by Landlord as set forth herein.

Until such repairs and restoration are completed, the Base Rent, and the Additional Rent (including the Additional Rent Paid on Account) shall be abated in proportion to the portion of the Premises or the Common Area Facilities which are unusable or inaccessible by Tenant in the conduct of its business by virtue of such casualty. If such damage can be repaired within ninety (90) days and Landlord fails to repair or restore such damage within such period, Tenant may, upon thirty (30) days written notice to Landlord, in addition to all other remedies Tenant may have under this Lease, at law or in equity, terminate this Lease. If any such damage causes any portion of the Premises or the Common Area Facilities to become unusable or inaccessible by Tenant in the conduct of its business during the last nine (9) months of the Lease Term, Tenant may, upon thirty (30) days written notice to Landlord, terminate this Lease.

7.02 EMINENT DOMAIN

- A. If all of the Land, the Building, the Common Area Facilities, or the Premises are taken by eminent domain or condemnation (a "Taking"), this Lease shall terminate immediately upon the effective date of the Taking.
- B. If there is a partial Taking of the Land, the Building, the Common Area Facilities or the Premises, Tenant may terminate this Lease by written notice to Landlord if the remaining Premises, the Building, the Land or the Common Area Facilities are not, in Tenant's reasonable judgment, adequate for the conduct of Tenant's business.

If Tenant does not terminate this Lease, Landlord shall proceed with due diligence to make all necessary repairs to the Land, the Building, the Common Area Facilities, or the Premises in order to render and restore the same to the condition that they were prior to the Taking. Tenant shall remain in possession of the portion of the Premises not taken, upon the same terms and conditions of this Lease, except that the Base Rent, the Additional Rent (including the Additional Rent Paid on Account) shall be reduced in direct proportion to the area of the Premises and the Common Area Facilities subject to the Taking. Tenant's Base Rent, Additional Rent (including the Additional Rent Paid on Account) shall also be reduced during any period of time which Tenant is not able to occupy the remaining Premises or any portion thereof not taken, while Landlord is making the required repairs.

- C. Damages awarded to Landlord for any Taking shall belong to Landlord, whether or not the damages are awarded as compensation for loss or reduction in value of the Land, the Building, the Common Area Facilities, or the Premises; however, nothing shall restrict or limit Tenant from asserting a claim for any additional damages resulting from the Taking for any unamortized leasehold improvements paid for by Tenant, the interruption of Tenant's business, Tenant's moving expenses, or Tenant's trade fixtures and

equipment, provided such claim does not reduce Landlord's award.

**ARTICLE VIII.
NON-DISTURBANCE**

8.01 SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE

This Lease shall be subordinate and subject to any future fee or leasehold mortgages, ground leases and deeds of trust covering the Land, the Building, or the Common Area Facilities. In the event that any of the foregoing shall exist as of the date of this Lease, simultaneously with the execution of this Lease, Landlord shall obtain, have executed and delivered to Tenant, a Subordination, Attornment and Non-disturbance Agreement by and between Tenant and Mortgagee or other encumbrancer which exists, in substantially the form attached hereto as Exhibit I (SUBORDINATION, ATTORNMENT AND NON-DISTURBANCE AGREEMENT).

- (1) This Lease shall be subordinate and subject to any future fee or leasehold mortgages, ground leases and deeds of trust covering the Land, the Building, or the Common Area Facilities, provided that:
 - (a) This Lease shall continue in full force and effect; and
 - (b) Tenant's quiet enjoyment shall not be disturbed if Tenant is not in default of this Lease beyond any applicable grace and notice periods provided in this Lease for the cure thereof; and
 - (c) Tenant shall attorn to and recognize the mortgagee, purchaser at a foreclosure sale or ground or other lessor ("Successor Landlord") as Tenant's landlord for the remaining Lease Term; and
 - (d) Successor Landlord shall not be bound by:
 - (i) any payment of the Base Rent or Additional Rent for more than one month in advance, except for any rent abatement expressly specified in this Lease, or as otherwise provided in Section 3.02, or
 - (ii) any amendment, modification, or termination of the Lease without Successor Landlord's consent, after Successor Landlord's name is given to Tenant in accordance with the notice provision contained herein, unless the amendment, modification, or ending is specifically provided for by this Lease and shall therefore not require Successor Landlord's prior agreement or consent.
- (2) This section is self-operating; however, Landlord or Tenant shall cause a Subordination, Attornment and Non-Disturbance Agreement substantially in the form of Exhibit I (SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT) to be executed and delivered if either party

so requests and if this Lease shall become subordinate and subject to any future fee or leasehold mortgages.

- (3) Landlord expressly authorizes Tenant to rely on any notice from Successor Landlord, made in accordance with the notice provision contained herein, which appears on its face to be genuine, and Tenant shall have no duty to make any inquiry into the existence of a default or the genuineness or validity of any such notice as a condition to acting and relying on such notice. This shall include any notice from Successor Landlord notifying Tenant of a default under the mortgage and instructing Tenant to pay all rent and other sums due under the Lease to such Successor Landlord. All such payments made in good faith and in reliance on such notice shall be deemed to have been made to or on behalf of Landlord and shall not be a breach under the Lease.

8.02. ESTOPPEL CERTIFICATE

Each party hereby agrees, from time to time, upon not less than thirty (30) days prior written notice, to execute and deliver an estoppel certificate (the "Estoppel Certificate"). The Estoppel Certificate may be relied upon by Landlord or Tenant, as appropriate, and any third party with whom Landlord or Tenant is dealing, and shall certify the following, as of the date thereof:

- A. The accuracy of this Lease;
- B. The Lease Commencement Date and the Lease Expiration Date;
- C. That this Lease is unmodified and in full force and effect or in full force and effect as modified, stating the date and nature of all modifications;
- D. Whether to the executing party's knowledge the other party is in default or whether the executing party has any claims or demands against the other party and, if so, specifying the claim or demand; and
- E. To other correct and reasonably ascertainable facts that are covered by the terms of this Lease.

8.03. RECORDING OF LEASE

At the request of either party, the parties shall promptly execute and record, at the cost of the requesting party, a short form memorandum setting forth the names of the parties to this Lease, the date of execution, the Lease Term, the Lease Commencement Date, the Lease Expiration Date, a description of the Premises, any outstanding options and any other information the parties agree to include or is required by statute governing such short form memoranda. A form of short form memorandum is attached hereto as Exhibit K (SHORT FORM MEMORANDUM).

8.04. QUIET ENJOYMENT

Tenant shall have the peaceful and quiet enjoyment and possession of the Premises without any interference from Landlord or any person claiming by, through or under Landlord.

ARTICLE IX. DISPUTES

9.01. DEFAULT BY TENANT

Tenant shall be considered in default of this Lease ("Default") if: (i) Tenant fails to pay the Base Rent within fifteen (15) days after Tenant receives notice from Landlord that the Base Rent was not received;; or (ii) Tenant fails to perform any of its other obligations under this Lease within thirty (30) days, or within a reasonable period of time thereafter if a cure cannot be accomplished within thirty (30) days, and Tenant is diligently pursuing a cure, after receiving written notice from Landlord specifying that such Default exists, setting forth in reasonable detail the nature and extent of the Default and identifying the applicable Lease section(s) and/or subsections.

If Tenant is in Default, as stated above, Landlord may: (i) end this Lease after giving Tenant thirty (30) days written notice of its intention to do so and in accordance with any laws governing such termination, and Tenant shall then surrender the Premises to Landlord; or (ii) Landlord may enter and take possession of the Premises, in accordance with any laws governing such repossession, and remove Tenant, with or without having terminated the Lease. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender of the Premises by Tenant. A surrender must be agreed to in writing and signed by both parties.

If Landlord terminates this Lease or terminates Tenant's right to possess the Premises because of a Tenant Default, Landlord may hold Tenant liable for: (i) the Base Rent, Additional Base Rent, and other indebtedness that otherwise would have been payable by Tenant to Landlord pursuant to this Lease prior to the Lease Expiration Date, less any amount which Landlord receives from reletting the Premises after all of Landlord's cost and expenses incurred in such reletting have been subtracted; (ii) any amounts Landlord incurs in reletting the Premises during the remainder of the Lease Term; and (iii) other necessary and reasonable expenses incurred by Landlord in enforcing its remedies. Tenant shall be liable to only those actual damages suffered by Landlord. Tenant shall pay any such sums due within thirty (30) days of receiving Landlord's invoice for the amounts.

If the Landlord terminates this Lease or terminates Tenant's right to possess the Premises because of the Tenant's Default as above provided for, the Tenant shall continue to pay on a monthly basis the Base Rent, Additional Base Rent, and other indebtedness that otherwise would be payable by Tenant to Landlord pursuant to this Lease. In the event, and only in the event, that the Tenant then fails to make

such monthly payments will the Landlord be authorized to accelerate the entire amounts due and owing under this Lease to the Landlord by the Tenant.

If after such acceleration and payment of the acceleration balance due by Tenant to Landlord, the Landlord relets the Premises during the unexpired term of the Lease, the Landlord shall pay to Tenant any and all rents, including any Additional Rent paid on account, the Landlord receives from reletting the Premises or any portion thereof, less the expenses incurred to relet the premises, up to a maximum amount equal to the accelerated amount paid by the Tenant.

9.02. DEFAULT BY LANDLORD

Landlord shall be considered in default of this Lease (a "Landlord Default"), if Landlord fails to perform any of its obligations under this Lease, within thirty (30) days after receiving notice from Tenant, specifying such Landlord Default and setting forth in reasonable detail the nature and extent of the Landlord Default, and identifying the applicable Lease section(s) and/or subsections. If a cure is not accomplished within thirty (30) days after receiving notice from Tenant, or if the Landlord Default cannot be cured within thirty (30) days, or within a reasonable period of time thereafter (not to exceed an additional forty-five (45) days) if Landlord is diligently pursuing a cure, then, in addition to all rights, powers or remedies permitted by law or in equity, Tenant may:

- A. Upon the first occurrence of any Landlord Default, correct the Landlord Default and deduct the cost from the Base Rent and other sums payable;
- B. Upon the second and any subsequent occurrence of any Landlord Default, withhold payment of the Base Rent and any other sums payable to Landlord until Landlord has corrected the specified Landlord Default; or
- C. Upon the third occurrence of any Landlord Default or upon the failure of Landlord to cure any Landlord Default within ninety (90) days after Landlord's receipt of written notice from Tenant, notifying Landlord of the occurrence of the Landlord Default, Tenant shall have the right to seek the judicial remedy of specific performance or to terminate this Lease by providing Landlord with written notice of such termination.

Tenant agrees to simultaneously give Landlord's mortgagee or deed of trust holders (the "Holder") a copy of any notice of a Landlord Default which Tenant serves upon Landlord to the address shown as the Mortgagee Notice Address in Article I, or to such other address which Landlord may provide the Tenant. The Holder shall have the right to cure a Landlord Default within the period provided to Landlord, herein.

9.03. REDUCTION OF SERVICES

The Base Rent is based in part upon services which Landlord shall provide to Tenant as described in Section 4.01 (Services Provided By Landlord) hereof. If for

any reason, Landlord does not provide any or all of these services in the manner described therein for more than five (5) consecutive days following written notice from Tenant of such failure, interruption or reduction, in addition to any other remedies provided to Tenant under this Lease, the Base Rent, and the Additional Rent (including the Additional Rent Paid on Account) shall be abated on a per diem basis for the period of interruption beginning with the date the failure, interruption or reduction in services began and ending when the services are fully restored.

Except for reason of force majeure, upon (i) the third occurrence, within a twelve (12) month period, of any failure, interruption or reduction in a particular service, or (ii) Landlord's failure to correct any failure, interruption or reduction of a particular service within a period of ninety (90) days after receipt of notice from Tenant of such failure, interruption or reduction (unless Landlord is diligently pursuing a cure, in which event Landlord shall have an additional thirty (30) days in order to correct such failure, interruption or reduction of the particular service), Tenant may, in addition to any other remedies permitted by law or in equity, seek the judicial remedy of specific performance or terminate this Lease by written notice to Landlord.

9.04. ARBITRATION

If Landlord and Tenant cannot reach agreement upon the interpretation of any of the following described terms or conditions of this Lease, if the parties mutually agree, the dispute may be subject to arbitration as provided in this Lease. Should the parties agree to submit the dispute to arbitration, each party shall choose an impartial arbitrator within thirty (30) days of the date of written agreement to arbitrate, and the two arbitrators shall choose a third impartial arbitrator. The decision of the arbitrators shall be binding upon the parties and final. In the event that any party fails to timely designate an arbitrator, such dispute or disagreement shall automatically be deemed resolved against such party. The arbitrators will have a minimum of ten (10) years experience in a profession related to the subject matter of the dispute and the then prevailing Commercial Arbitration Rules of the American Arbitration Association shall govern the proceeding. Both parties shall continue performing their Lease obligations pending the determination of the arbitration proceeding, except as otherwise provided for in this Lease. The arbitrators shall have no power to change the Lease provisions and the arbitrators shall base their decisions upon the provisions of this Lease and, as appropriate, shall apply the law stated in Section 9.05 (Governing Law) of this Lease.

The arbitrators shall submit their findings in writing, signed by each of them, within thirty (30) days of the last arbitrator appointment. The findings of the arbitrators shall be binding on both Landlord and Tenant and the expense of the arbitration shall be shared equally by Landlord and Tenant.

In accordance with the foregoing, the following disputes only may be subject to arbitration:

- a. any dispute which the parties mutually agree to submit to arbitration;

- b. the date when the Premises was Substantially Complete, or any other disputes concerning the terms of Exhibit D (WORK LETTER AGREEMENT);
- c. the amount of any abatement of Base Rent, Additional Rent and Additional Rent Paid on Account, because of damages or eminent domain;
- d. the amount of any Additional Rent or any component part of the calculation;
- e. which party must comply with any applicable laws;
- f. whether the services furnished by Landlord are being provided in the manner described in this Lease;
- g. whether Tenant is entitled to an abatement of Base Rent, Additional Rent and Additional Rent Paid on Account as provided in this Lease;
- h. whether Landlord's withholding of consent is unreasonable or unduly delayed;
- i. whether either party has the right to terminate this Lease as provided in this Lease;
- j. whether or not a proposed assignee or sublessee has adequate creditworthiness and whether Tenant's continued liability under this Lease would be required in light of such assignment or sublease;
- k. or determination of Fair Market Rent.

9.05 GOVERNING LAW

This lease, and the rights and obligations of the parties hereto, shall be construed and enforced in accordance with the laws of the State of New York.

9.06 WAIVER OF CONSEQUENTIAL DAMAGES

Neither Landlord nor Tenant shall be liable to the other under or in connection with this Lease for any consequential damages and both Landlord and Tenant waive, to the full extent permitted by law, any claim for consequential damages.

ARTICLE X. MISCELLANEOUS

10.01 FORCE MAJEURE

After the Lease Commencement Date, neither party shall be responsible to the other for any losses resulting from the failure to perform any terms or provisions of this Lease if the party's failure to perform is attributable to war, riot, acts of God or the elements, labor disputes or strikes (other than those caused by the direct act or omission of Landlord or Tenant), or any other unavoidable act not within the control of the party whose performance is interfered with and which by reasonable diligence such party is unable to prevent. However, neither party shall be excused from the timely performance of its obligations under this Lease for a period of time greater than ninety (90) days on account of force majeure.

10.02 END OF TERM

Upon the termination of this Lease, Tenant shall return the Premises in reasonably good condition as when Tenant took possession (including all Tenant Improvements), excluding: ordinary wear and tear; loss from fire or other casualty and any other damage that Landlord is required to repair or restore pursuant to the provisions of this Lease, removal of communications cabling or signage; and the restoration of the Premises to its condition prior to any Tenant Improvements or Alterations made to it during the Lease Term. The Premises shall be returned in broom clean condition.

10.03 ENTIRE AGREEMENT

This Lease and all of its written and attached Exhibits, riders, addenda, modifications, and amendments constitutes the entire agreement between Landlord and Tenant with respect to the Premises, the Building, the Land and the Common Area Facilities and may be amended or altered only by written agreement executed by both parties and supersedes all prior agreements, whether written or oral, between the parties. Landlord warrants that it owns the Building and the Land as described herein, and each party warrants that it is authorized to enter into this Lease.

10.04 NON-DISCRIMINATION

Landlord and Tenant shall not discriminate on the basis of race, age, color, religion, sex, national origin, disability or veteran's status in the use of occupancy of the Premises or the Building, or in their employment or choice of contractors, subcontractors, or suppliers of materials for or to be used for the installation of any improvements in the Premises, the Common Area Facilities or the Building.

10.05 BINDING ON SUCCESSORS

This Lease shall bind the parties, their heirs, successors, representatives and permitted assigns.

10.06 AMBIGUITIES

Any rule of construction to the effect that any ambiguities are to be resolved against the drafting party shall not apply to the interpretation of this Lease or an amendments or exhibits hereto.

10.07 BROKER'S WARRANTY

Landlord and Tenant warrant and represent that they have dealt with no real estate broker in connection with this Lease other than the Broker listed in Article I, and that no other broker is entitled to any commission on account of this Lease. The party who breaches this warranty, shall defend, hold harmless and indemnify the other from any loss, cost, damage or expense, including reasonable attorney fees, arising from the breach. Tenant is solely responsible for paying the commission of said broker in accordance with a separate agreement.

10.08 FIRST CLASS BUILDING

Whenever in this Lease the phrases "first-class building", "first class manner", "first class condition" or phrases of similar import are used, said phrases mean that the Building, Common Area Facilities, the Land and the Premises are to be maintained, repaired, operated and generally treated in the same manner and custom consistent with that used for other buildings which are substantially similar to the Building in Chemung County in geographic location, use, size, type, age, and amenities and services provided.

10.09 PARTIAL INVALIDITY

If any part, term or provision of the Lease is held by the final judgment of any court of competent jurisdiction to be illegal, invalid or unenforceable, the validity of the remaining portions or provisions shall not be impaired or affected, and the rights and obligations of the parties shall be construed and enforced as if the Lease did not contain that certain part, term or provision held to be illegal, invalid or unenforceable.

10.10 CAPTIONS

The captions appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe or describe the scope or intent of such sections of the Lease nor in any way affect the Lease.

10.11 WAIVER

The failure of either party to exercise any of its rights is not a waiver of those rights. A party waives only those rights specified in writing and signed by the party waiving its rights.

10.12 PREVAILING PARTY

In any litigation between the parties regarding this Lease, the losing party shall pay to the prevailing party all reasonable expenses and court costs, including attorneys' fees incurred by the prevailing party.

10.13 REASONABLENESS

If the consent, authorization or approval of either party hereto is required for the other party to take any action under this Lease (a "Required Consent"), such approval, consent or authorization shall not be unreasonably withheld, conditioned or delayed. Additionally, if any matter is required to be determined by a party in exercising its discretion, judgment, or opinion, then the same will be exercised reasonably and in good-faith by the party required to make such determination. If a party delivers a written request for the other party's Required Consent, and the other party fails to respond within the time period specifically provided by the terms of this Lease or, if no specific time period is so provided, within thirty (30) business days thereafter, then the other party's Reasonable Consent shall be deemed to be given.

10.14 SURVIVAL

The following provisions, Articles or Sections, as appropriate, of this Lease and Landlord's and Tenant's obligations thereunder shall survive the Lease Expiration Date or any earlier termination of this Lease by either Landlord or Tenant:

- A. Provided that Landlord forwards to Tenant an invoice, for a period of one (1) year, Tenant's obligation to pay the Additional Rent for the Lease Term, subject to any termination of this Lease by Tenant;
- B. Landlord's obligation to refund to Tenant any excess payment of Additional Rent Paid on Account;
- C. All indemnifications, hold harmless agreements, representations, warranties and covenants made by Landlord, or Tenant;
- D. Any representation or warranty regarding either Landlord's or Tenant's use of a broker or agent and any fee or commission which may be due or owing to said broker or agent;
- E. Any remedy of Landlord or Tenant pursuant to any provision of this Lease.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease, as of the date first above written.

WITNESSES:

Maria J. Heisenfluh
Cheryl Schneider

LANDLORD:

The City of Elmira, New York

Stephen M. Hughes
By: Stephen M. Hughes, Mayor
Pursuant to Council Res. # 99-108
Federal Tax I.D. # 16-6002542

TENANT:

The Travelers Indemnity Company

Rhonda M. Dubs
Medial Sini

By: Andy F. Bessette
Title: Vice President

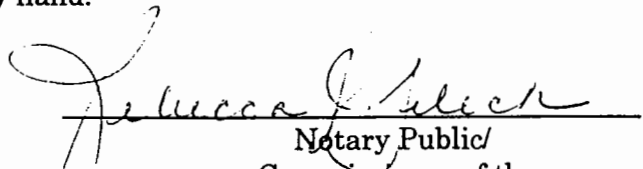
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STATE OF NEW YORK)
) ss:
COUNTY OF CHEMUNG)

On this 12th day of April, 1999, before me, a Notary Public, came STEPHEN M. HUGHES, to me known, who being by me duly sworn did depose and say: That he resides in the City of Elmira, County of Chemung, State of New York; that he is Mayor of the City of Elmira, the corporation described in and which executed the foregoing instrument; that he knows the seal of said corporation; that the seal affixed to said instrument is such corporate seal; that it is so affixed by order of the Council of the City of Elmira, and that he signed his name thereto by like order.

In Witness Whereof I hereunto set my hand.

REBECCA J. TELECH
Notary Public, State of New York
Chemung County, No. 4791839
Commission Expires Nov. 30, 19 99



Notary Public/
Commissioner of the
Superior Court

STATE OF CONNECTICUT)
)ss:
COUNTY OF HARTFORD)

On this _____ day of _____, 1999, before me, a Notary Public, came Andy F. Bessette, to me known, who being by me duly sworn did depose and say: That he resides in Hartford, County of Hartford, State of Connecticut; that he is the Vice President of Travelers Indemnity Company, the corporation described in and which executed the foregoing instrument, and acknowledged that he executed the same by order of the Board of Directors of such corporation.

In Witness Whereof I hereunto set my hand.

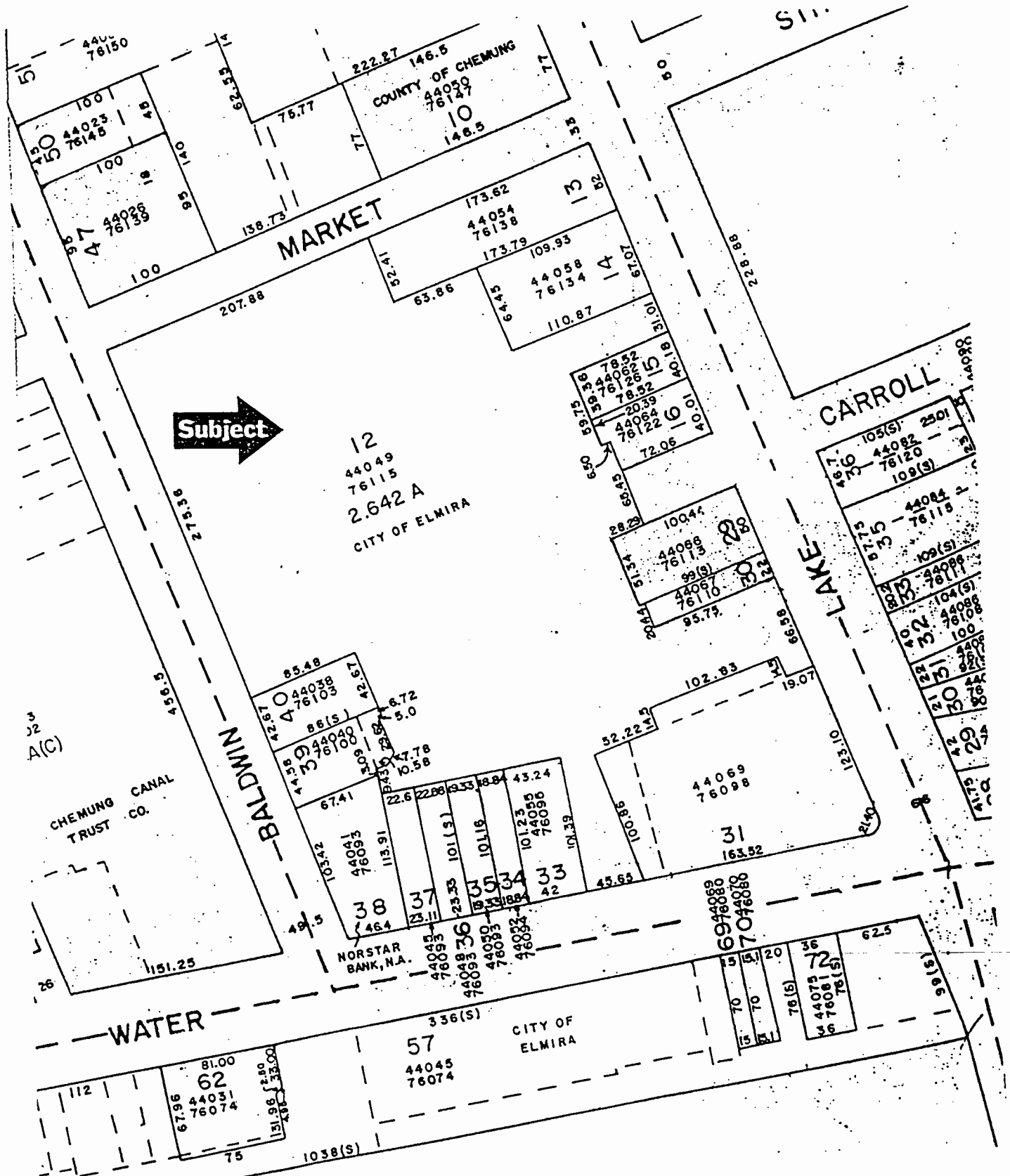
Notary Public/
Commissioner of the
Superior Court

EXHIBIT A-1 DESCRIPTION OF LAND

ALL THAT TRACT OR PARCEL OF LAND situate in the City of Elmira, County of Chemung, and State of New York, and more particularly bounded and described as follows:

Beginning at the intersection of the southerly boundary of East Market Street with the easterly boundary of Baldwin Street; thence S. 20°38'46" E., along the last mentioned boundary a distance of 226.43 feet to a point on the former northerly boundary of Carroll Street; thence S. 20°37'01" E., continuing along the said easterly boundary of Baldwin Street, a distance of 48.94 feet to a point on the former southerly boundary of said Carroll Street; thence N. 68° 25'21" E., along the last mentioned former southerly boundary of said Carroll Street, a distance of 85.48 feet to a point; thence S. 20°43'38" E., a distance of 42.67 feet to a point; thence S. 68°25'21" W., a distance of 20.39 feet to a point; thence S. 20°44'21" E., a distance of 60.92 feet to a point; thence N. 79°58'27" E., a distance of 22.61 feet to a point; thence N. 80°08'11" E., a distance of 22.88 feet to a point; thence N. 80°31'37" E., a distance of 81.41 feet to a point thence; S. 08°57'20" E., a distance of 101.39 feet to a point on the northerly boundary of East Water Street; thence N. 80°44'13" E., along the last mentioned boundary, a distance of 45.65 feet to a point, said point being the southeasterly corner of Disposition Parcel 5-A; Thence N. 21°16'00" W., along the westerly line of said Disposition Parcel 5-A, a distance of 100.86 feet to a point; thence N. 68°44'00" E., along the northerly line of said Disposition Parcel 5-A, a distance of 174.12 feet to a point on the westerly boundary of Lake Street; thence N. 21°24'59" W., along the last mentioned boundary a distance of 66.58 feet to a point; thence S. 68°33'19" W., a distance of 95.75 feet to a point; thence N. 22°22'38" W., a distance of 20.44 feet to a point; thence S. 68°21'11" W., a distance of 3.44 feet to a point; thence N. 22°25'08" W., a distance of 51.34 feet to a point on the former southerly boundary of Carroll Street; thence N. 68°25'21" E., along the last mentioned former boundary of said Carroll Street, a distance of 28.29 feet to a point; thence N. 21°17'44" W., a distance of 65.45 feet to a point; thence S. 68°42'16" W., a distance of 6.50 feet to a point; thence N. 21°23'56" W., a distance of 59.75 feet to a point; thence N. 70°03'29" E., a distance of 78.52 feet to a point on the said westerly boundary of Lake Street; thence N. 21°24'59" W., along the last mentioned boundary a distance of 31.01 feet to a point, said point being the southeasterly corner of Disposition Parcel 64; thence S. 70°03'29" W., along the southerly line of said Disposition Parcel 64 a distance of 110.87 feet to a point; thence N. 20°37'01" W., along the westerly line of said Disposition Parcel 64 a distance of 64.45 feet to a point; thence S. 68°42'11" W., a distance of 63.86 feet to a point; thence N. 21°13'59" W., a distance of 52.41 feet to a point on the said southerly boundary of East Market Street; thence S. 68°42'06" W., along the last mentioned boundary a distance of 207.88 feet to the place or point of beginning, being 116,557.083 square feet or 2.676 acres of land, more or less.

EXHIBIT A-2
TAX ASSESSOR'S PLAN



Subject →

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CITY OF
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EXHIBIT A-3
PLAN OF PREMISES



Rhonda M. Smith
Corporate Real Estate, Hartford, CT
Tel: 860-277-3242
Fax: 860-954-2819

Fax Cover Sheet

Date: March 25, 1999

To: Cheryl Schneider
City of Elmira

Phone: 607-737-5607
Fax: 607-737-5824

copy

From: Rhonda M. Smith
Senior Legal Analyst/CRE
Travelers

RE: Elmira Lease

Number of pages including cover sheet: 2

Comments: Cheryl, attached please find a copy of the Plan of the Premises for the latest lease. I had overnighted the documents to you yesterday, but had not yet received the Plan. Please insert this Plan as Exhibit A-3 of the Lease (PLAN OF THE PREMISES). Jung Brannen has faxed me this Plan directly, and Mike is out of the office for the rest of the week. If you feel there is any error, please contact me. Thank you. Rhonda Smith

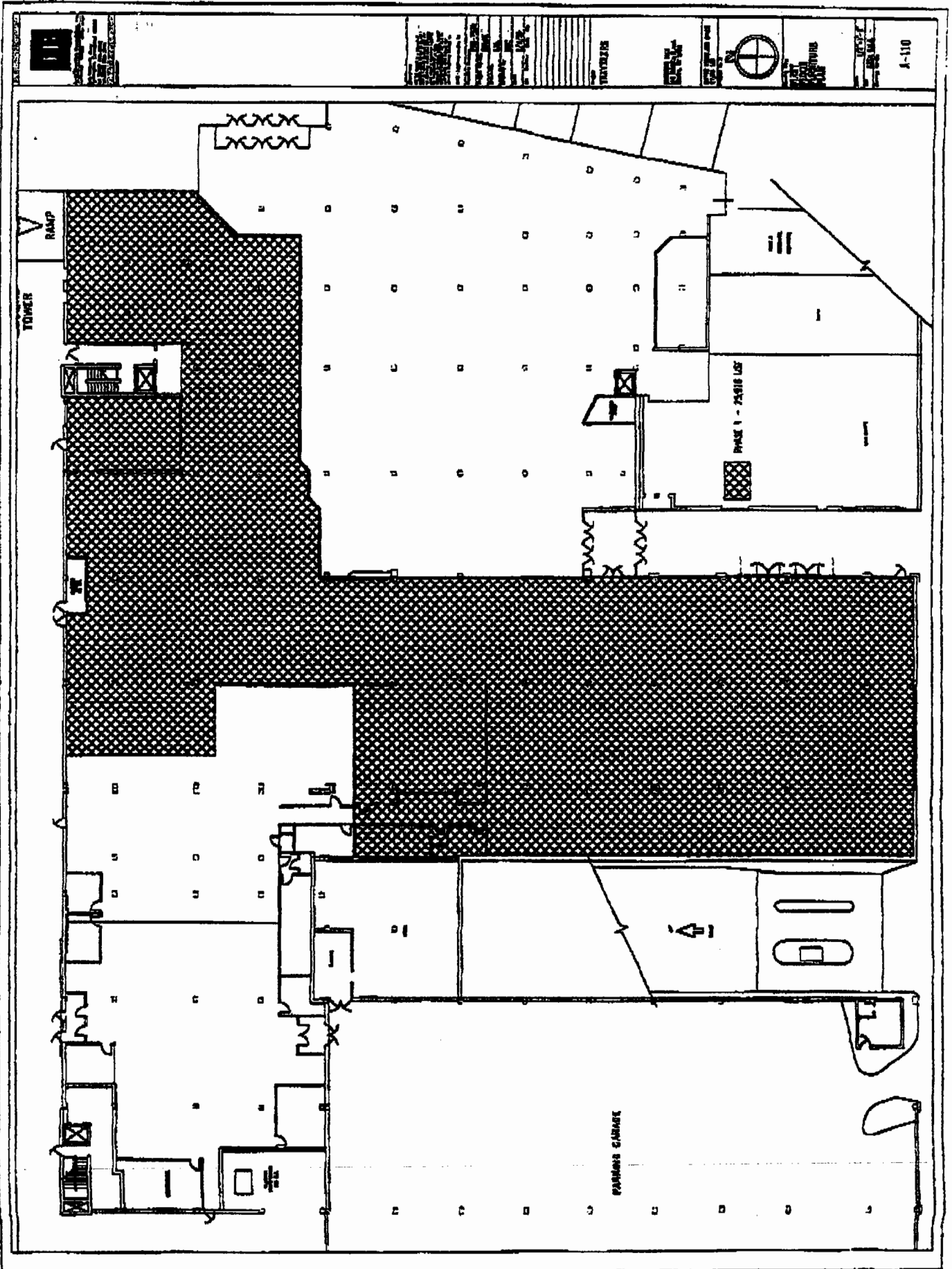


EXHIBIT A-4

EASTOWNE PARKING GARAGE

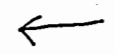
EASTOWN PARKING GARAGE

Lake St. Ramp

MONTHLY SPACES AVAILABLE
372 total on 2nd & 3rd floor & Inside Ramp:

Inside Ramp	36
2nd Floor	168
3rd Floor	168

RAMP TO 2nd FLOOR



DAILY PARKING ONLY
Lower Area
60 spaces

MARKET ST.

EXHIBIT B-1

OPERATING COST INFORMATION FORM

A. CATEGORY

	BASE YEAR Year 19 X 1	CURRENT Year 19 X 2	EXPENSES SUBJECT TO GROSS - UP
Cleaning Expenses	_____	_____	_____
Repairs & Maintenance	_____	_____	_____
Roads/Grounds/Security	_____	_____	_____
Heating/Ventilating/Air Cond.	_____	_____	_____
Insurance	_____	_____	_____
Salaries/Management Fees	_____	_____	_____
Utilities	=====	=====	=====
Total	_____	_____	

B. CALCULATION OF CAP

Prior Year Building Operating Costs = _____
 Current Year Building Operating Costs = _____

Cap = 104% x Prior Year Building Operating Costs = \$ _____ ("CAP Amount")

CURRENT Year Building Operating Costs = _____

CAP Amount Building Operating Costs = _____

Total Allowable Expenses (lesser of (i) Current Year or (ii) CAP Amount Building Operating Costs) = _____

C. CALCULATION OF TENANT'S PROPORTIONATE SHARE:

Rentable Area of the Premises	_____	
	= _____ %	
Total Rentable Area of the Building		(Tenant's Proportionate Share)

D. CALCULATION OF ESCALATION DUE:

Step 1

Total Allowable Expenses (section B)	\$ _____	
Less: BASE YEAR Total Operating Expenses		(_____)
Increase Over BASE YEAR	\$ _____	

Step 2

Increase over BASE YEAR	\$ _____		
Multiplied:	Tenant's Proportionate Share		X
(Section C)	=====		
TOTAL AMOUNT DUE			

**E. "OPERATING COSTS ESCALATION PAID ON ACCOUNT"
(OCEPOA):**

Year 19 X 3

Total Allowable Expenses (section B)	\$ _____
Less: BASE YEAR Expenses	(_____)
Total Expenses	_____
Tenant's Proportionate Share	_____
Tenant's OCEPOA Expenses	\$ _____
Monthly OCEPOA Amount Due	\$ _____

EXHIBIT B-2

REAL ESTATE TAX INFORMATION FORM

A. CALCULATION OF REAL ESTATE TAX ESCALATION

Current Tax Year Real Estate Taxes \$ _____

Base Real Estate Taxes (\$ _____)

Increase Over Base Year Real Estate Taxes \$ _____

Multiplied: Tenant's Proportionate Share
(Section B of this Exhibit B-2)

CURRENT AMOUNT DUE

B. CALCULATION OF TENANT'S PROPORTIONATE SHARE:

Rentable Area of the Premises _____ = _____ %

Tenant's
Proportionate
Share

Total Rentable Area of the Building

C. COPIES OF REAL ESTATE TAX RECEIPTS ARE ATTACHED

EXHIBIT C BASE BUILDING IMPROVEMENTS

The Building is an existing Building. The Tenant is accepting the Premises as-is. The following Base Building Improvements and systems, as described below (the Base Building Improvements") are currently available (or will be made available pursuant to the Base Building Improvement Work which is to be performed by Tenant under this Lease) at the premises and shall be maintained by the Landlord, at Landlord's sole cost and expense, subject to the terms of Section 3.02 (ESCALATION) of the Lease. These include:

1. The Building structure will be designed for a minimum floor load of 80 lb. live load plus a 20 lb. partition dead load.
2. The Building shell will include a built out and finished interior core, stairwell enclosures and exterior perimeter walls and all building columns. The interior core on each floor will include men's and women's rest room facilities, electrical, telephone, janitorial and mechanical closets, stairways and an elevator lobby. All walls adjacent to public traffic areas will be finished. The restroom facilities on each floor of the Premises will be based on the applicable standards of the New York State Fire Prevention and Building Code and will conform to the American with Disabilities Act.
3. A Concrete Floor is installed with a smooth trowel finish for installation of glued-down carpet. The floor has been poured level and finished in accordance with ACI Standard Specifications 117. A topping of Gyp-Crete 2000 or an approved equivalent was used to level the floor to within 1/4" overall. Perimeter walls may be utilized for grounded electrical, data communications and telephone wiring installations in the Premises, at locations to be mutually agreed upon by the Tenant and the City.
4. The Ground-level building lobby is completely finished.
5. A Life Safety System is installed in accordance with the New York State Fire Prevention and Building Code.
6. Tenant's lighting shall be installed in accordance with Tenant's specifications. Building standard lighting and general receptacles to be provided. All electrical equipment to be Underwriter's Laboratories, Inc. listed. Electrical distribution will be provided to the main panel boxes in the electrical closets on each floor. The electrical system is sized for 5.5 watts per usable square foot for Tenant's consumption, over and above base building electrical (including lighting) requirements. All panel boards are currently provided with typewritten identification labels identifying what each breaker feeds. If existing transformers are K rated, the rating is 750 KVA. All new transformers shall be K rated.

7. The Building ground system is in accordance with the N.E.C. All existing metal conduits, cabinets, raceways, wireways and non-current carrying metal components of the electrical system are grounded to the equipment grounding system and building steel.
8. A suspended ceiling system will be installed in accordance with the New York State Fire Prevention and Building Code, and in accordance with Tenant's specifications. It shall be listed by Underwriter's Laboratories, Inc. (Materials List) as to Fire Hazard Classification and will have a minimum thickness of 3/4". The ceiling height is eight feet (8'). Fissured acoustical tile is (shall be) installed on 2'x4' mechanically suspended grid system and has a minimum combustibility rating of Class I or equal to that of local code requirements, whichever is greater.
9. Modern fluorescent lighting will be installed at the Premises to provide a minimum of 60 foot candles to be furnished at desk height and arranged so as to provide an even distribution of light. Lamps are to be of the "warm white" energy saving type. Ballasts shall also be energy efficient, high power factor U.L. listed, class P, and have a sound rating of 'A'. All fixtures have two-level switching.
10. The Building is equipped with a Heat Pump (Boiler and Cooling Tower; water to air) heating, ventilation and air conditioning system. The fan system shall run continuously during business hours, no duty cycling. All ducts shall be separately zoned by zone valves with individual controls provided within Tenant's Premises. These individual zones, thermostatically controlled, shall be preset and tamper proof. There is one (1) thermostat (and VAV box) per 1,000 square feet of usable area, and a minimum of one (1) diffuser for each 500 square feet of usable area. The location of these thermostats and diffusers will be configured according to Tenant's final space plan. The system will be designed to maintain temperature and humidity levels specified in accordance with ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers) standard 55-1981, Thermal Environmental Conditions for Human Occupancy, for employees in typical business attire. Ventilation shall comply with the most current ASHRAE Ventilation standard with the conditions set forth in ASHRAE 62-1989 as a minimum requirement.
11. Telephone service, as provided by the local utility, will be brought to the Tenant's main telephone room. If conduit or sleeves are required by local code, Base Building will include necessary conduit/sleeves to distribute data and telephone cables between floors.
12. Blinds are installed on all windows, consisting of horizontal one inch (1") mini blinds or vertical blinds.
13. Three (3) automatic passenger elevators and no (0) freight elevators are provided. If no freight elevator is provided, one passenger elevator shall be designed to serve both as a passenger elevator and a freight elevator, and will be equipped to carry supplies and furniture when necessary. Elevator cabs are equipped with an emergency communications/alarm system, including a bell annunciator, connected to the parking garage's office during hours of operation. The elevator controls has

Braille lettering for eyesight impaired persons. The elevators and elevator controls shall conform with ADA and be in strict compliance with local, state, and national codes and regulations governing the same.

14. A loading dock shall be available for Tenant's exclusive use.
15. Demising walls, including common corridor walls and walls between tenant suites will be provided. These walls will include tenant entry doors for public corridors. Demising walls will be soundproofed/insulated to the floor deck above.
16. Tenant shall be allowed space on the Building directory in proportion to the total rentable area which Tenant occupies in the Building.

EXHIBIT D

WORK LETTER AGREEMENT

THIS WORK LETTER AGREEMENT ("Work Letter Agreement") is made and entered into as of the _____ day of _____, 19__ by and between **THE CITY OF ELMIRA, NEW YORK**, a municipal corporation organized and existing under the laws of the state of New York ("Landlord") and **THE TRAVELERS INDEMNITY COMPANY**, a Connecticut corporation ("Tenant").

ARTICLE I RECITALS:

- 1.01 Concurrently with the execution of this Work Letter Agreement, Landlord and Tenant have entered into a lease (the "Lease") covering certain premises ("Premises") which is more specifically described and defined in the Lease.
- 1.02 This Work Letter Agreement has been executed for the purpose of describing and providing the requirements, standards, and specifications for the completion of the Premises to render it suitable for the use and occupancy of Tenant.
- 1.03 In order to induce Tenant to enter into the Lease (which is hereby incorporated by reference) and in consideration of the mutual covenants hereinafter contained, Landlord and Tenant hereby agree as follows:

ARTICLE II PLANS AND SPECIFICATIONS:

2.01 BASE BUILDING IMPROVEMENTS

Pursuant to the terms of Section 2.08 (IMPROVEMENTS) of the Lease, Landlord shall deliver the Premises to Tenant in its "as is" condition, with all of the Base Building Improvements included therewith, in their "as-is" condition, however, excluding the Base Building Improvement Work, which is described below, subject to the terms thereof. Landlord and Tenant hereby acknowledge that there are certain modifications which need to be made to the existing Base Building Improvements in order for Tenant to conduct its business within the Building, therefore, Landlord hereby agrees to permit Tenant to perform these certain modifications to the Base Building Improvements, in a good and workman like manner, as part of the performance of the Tenant Improvements (hereafter known as the "Base Building Improvement Work"), and such Base Building Improvement Work shall be substantially completed by Tenant on or before the Scheduled Lease Commencement Date, subject to the terms of the Lease. However, the cost of such Base Building Improvement Work shall be at the sole cost and expense of Landlord, and not to be drawn from the Tenant Improvement Allowance (as hereafter described), and

Landlord shall reimburse Tenant for the cost of the Base Building Improvement Work, within twenty (20) days after receipt of an itemized invoice from Tenant evidencing the same. The itemized invoice which Tenant submits to Landlord for reimbursement of the Base Building Improvement Work shall be separate from the invoices which Tenant shall submit to Landlord for the Tenant Improvement Allowance. Upon completion of the Base Building Improvement Work, these modifications shall be considered part of the Base Building Improvements and are to be maintained by Landlord, in accordance with the terms of Exhibit C and the Lease.

2.02 TENANT IMPROVEMENTS

References to "Tenant Improvements" or "Work" shall include all work to be done in the Premises pursuant to the Plans, as described below.

Tenant shall prepare or have prepared for Tenant and submit to Landlord for approval, on or before March 31, 1999, final plans and specifications prepared by a registered architect covering Tenant's Work (the "Plans"). Landlord shall, within five (5) days after receipt of said Plans, notify Tenant of any objections to such Plans, and Tenant shall make any reasonable revisions and resubmit the Plans for Landlord's approval. Landlord shall provide Tenant with its approval within five (5) days thereafter. In addition to the foregoing, Landlord's objections shall include identifying to Tenant, based on Tenant's layout, the location of any floor areas in the Premises which may require extra load capacity and/or penetration of floor slab, which the Landlord shall, at its own cost, have reviewed by an independent engineering firm, if necessary, for adequacy of the existing load-bearing capacity of the space so located. In the event such load-bearing capacity is not adequate, the Tenant shall revise the Plans, on a timely basis, so that the load does not exceed the capacity, or revise the Plans in order to perform the necessary additional structural work required to provide the adequate load-bearing capacity in such locations as part of the Tenant Improvements and the Tenant Improvement Allowance, as hereinafter defined. Failure of Landlord to serve any objection to the floor loading within the specified time period shall be conclusively presumed to be acceptance of the Plans, as to floor loading, and any structural work thereafter found to be necessary to provide adequate load-bearing capacity in such locations shall be at the sole cost and expense of Landlord.

2.03 COMPLIANCE WITH APPLICABLE LAW

Tenant, at its sole cost and expense, shall comply with and shall be solely responsible for compliance with all applicable Laws (as defined in the Lease) concerning, the build-out of the Premises, the filing of any construction or engineering documents with, and obtaining any required approvals or permits from any applicable Federal, state, county or local governmental body or agency. If Landlord supplies any Building standard materials to be used in the construction of the Tenant Improvements, Landlord hereby covenants that any such Building standard materials shall comply with all applicable Laws.

2.04 PAYMENT FOR THE TENANT IMPROVEMENTS

The Tenant Improvements shall be completed by Tenant. Landlord shall provide Tenant with an allowance for such Tenant Improvements in the amount of Twenty and 00/100 Dollars (\$20.00) per square foot of Rentable Area of the Premises, as further described in the Lease (the "Tenant Improvement Allowance"), which Tenant may allocate, as Tenant chooses, for costs relating to the Tenant Improvements, including, but not limited to, the construction of the Tenant Improvements, space planning and design, permits and approvals, moving expenses, internal/external telecommunications costs and data cabling, project management fees, carpeting, shipping and installation of furniture and any other internal or external costs or expenses incurred by Tenant in preparing the Premises for its occupancy.

Landlord shall provide the Tenant Improvement Allowance to Tenant, upon full and final completion of the construction of the Tenant Improvements, as referenced above, and within thirty (30) days of receipt of an invoice from Tenant, evidencing Tenant's costs, provided that Tenant has furnished Landlord with contractor's affidavits and lien waivers, otherwise, the Tenant Improvement Allowance shall be provided to Tenant within thirty (30) days of Landlord's receipt of the contractor's affidavits and lien waivers. In the event that Tenant does not expend the entire Tenant Improvement Allowance, any unused portion shall be credited to Tenant in the form of a reduction of the monthly installments of annual Base Rent, until such unused portion is exhausted.

Tenant shall pay Tenant's costs directly to Tenant's contractors entitled thereto. Landlord shall not be responsible for reimbursing Tenant for any costs which exceed the Tenant Improvement Allowance.

2.05 HIRING OF CONTRACTORS

Before the commencement of any Work, Tenant shall obtain and deliver to Landlord waivers of liens from all contractors, subcontractors, and materialmen performing such Work or furnishing materials to or for Tenant. Tenant's contractors shall be required in all contracts to maintain insurance as may be reasonably required by Landlord and naming Landlord as an additional insured. Such insurance shall include workers compensation, employer's liability, commercial general liability, owner's protective liability and comprehensive automobile liability. All insurance shall be required to remain in effect until the Tenant Improvements are completed. All Tenant's Work shall be performed in a first-class and workmanlike manner. To the end that there shall be no labor dispute which would interfere with the construction or operation of the Building, Tenant shall engage the services of only such contractors and subcontractors as will work in harmony with each other and with those contractors and subcontractors working for Landlord.

2.06 INDEMNIFICATION

Tenant hereby agrees to indemnify and hold Landlord harmless against any actions, claims or expenses (including without limitation reasonable attorney fees) which

Landlord may incur or have imposed upon due to Tenant not obtaining all lien waivers, as set forth in Section 2.05 (HIRING OF CONTRACTORS) hereof.

ARTICLE III OCCUPANCY

3.01 POSSESSION OF PREMISES

Landlord hereby agrees to deliver possession of the Premises to Tenant (or a material portion thereof), such that Tenant may commence the Tenant Improvements and Base Building Improvement Work, on or before March 22, 1999 (the "Possession Delivery Date"), provided that Landlord has rendered final approval of the Plans. In the event that only a portion of the Premises is delivered to Tenant as of April 1, 1999, Tenant hereby agrees, as Tenant is commencing its Tenant Improvement work, to reasonably protect any areas of the Premises which are not delivered to Tenant as of April 1, 1999, and to separate such areas from the portion of the Premises which is delivered to Tenant, at Landlord's sole cost and expense, in a manner reasonably acceptable to Landlord, until possession of the entire Premises is actually delivered to Tenant. Tenant's entry onto the Premises prior to the Scheduled Lease Commencement Date (as defined in the Lease), shall not be deemed to be occupancy of the Premises by Tenant for the purpose of conducting its business. During such times as Tenant shall perform any Work in the Premises prior to the Lease Commencement Date, as set forth herein, Landlord and Tenant shall comply with all of the terms and conditions of the Lease, other than those relating to the payment of Base Rent or any other sums due thereunder.

3.02 SUBSTANTIAL COMPLETION

Tenant shall substantially complete the Premises by the Scheduled Lease Commencement Date; however, if the Premises are not Substantially Complete (as hereinafter defined) as of the Scheduled Lease Commencement Date and such is due to reasons of Force Majeure or a Landlord Delay (as hereafter defined), the Lease Commencement Date (and the Rent Commencement Date) shall occur when the Premises are Substantially Complete and the Lease Expiration Date shall occur on the fifth (5th) anniversary date thereafter. In such event, the monthly rent payments shall not commence until the Lease Commencement Date. A Landlord Delay shall mean any delay arising from (i) Landlord not delivering the possession of the Premises to Tenant in accordance with Section 3.01 hereof, or (ii) Landlord not providing its approval of the Plans in accordance with Section 2.01 hereof, and/or (iii) the negligence or willful misconduct of Landlord, its agents, employees or contractors which halts or interrupts Tenant's completion of the Tenant Improvements (hereafter a "Landlord Delay"). For purposes hereof, "Substantially Complete" means:

- (1) The Tenant Improvements and Base Building Work described in this Work Letter Agreement have been completed so that Tenant can use the Premises for its intended purposes without material interference to conducting its ordinary business activities;

- (2) The only incomplete items are minor or insubstantial details of construction, mechanical adjustments or finishing touches like touch-up plastering or painting; and
- (3) Any building systems, lobby, entranceways, elevators or hallways to be installed or maintained by Landlord, are installed, clean and free of construction equipment and in good working order.

3.03 EARLY OCCUPANCY

If the Premises are Substantially Complete prior to the Scheduled Lease Commencement Date, Tenant may request that the Lease Commencement Date occur. If the Lease Commencement Date shall be a date prior to the Scheduled Lease Commencement Date, Tenant shall not be obligated to pay Landlord Base Rent or any other sum due hereunder, until the Scheduled Lease Commencement Date. This credit shall be in addition to any other rental concessions which Tenant may receive under this Lease. Tenant shall have no obligation to occupy the Premises prior to the Scheduled Lease Commencement Date.

IN WITNESS WHEREOF, this Work Letter Agreement is executed as of the date first above written.

LANDLORD:

The City of Elmira, New York

By: Joseph M. Hughes

Title: Mayor

TENANT:

The Travelers Indemnity Company

By: Andy F. Bessette

Title: Andy F. Bessette
Vice President

copy
4/10/11

EXHIBIT E
JANITORIAL SERVICE AND SUPPLIES

A. COMMON AREA

This area includes the mall area facing all commercial businesses on the interior. Also includes the foyers on Baldwin Street and Water Street, including the exterior of those particular doors.

DAILY:

- § Remove all trash from mall area, including containers and loose debris.
- § Sweep and mop floor, inclusive of foyers Clean entranceways (foyers).
- § Clean all benches

WEEKLY:

- § Clean all windows, including exterior windows of all businesses and shops facing the interior of the mall and both sides of foyer glass.
- § Replace all lights as needed. This includes the ceiling, exit, fire, and overhead facade business lights.

MONTHLY:

- § Submit supply order to mall manager
- § Submit report on any deficiencies noted (floor tiles loose, facade light covers broken, etc.) to mall manager
- § Check for cobwebs and remove

B. THE TRAVELERS INDEMNITY COMPANY

Office Areas:

- § Empty waste baskets
- § Vacuum all carpeting
- § Dust all desks, tables, file cabinets and other office furniture
- § Remove all staples from carpets
- § Replace florescent lights, as needed

Rest Rooms:

- § Clean sinks, bowls, urinals, mirrors
- § Wipe chrome dry
- § Empty trash
- § Refill dispensers, as needed
- § Dust mop floors
- § Damp mop floors

Lunch Room:

- § Empty trash, clean tops of trash cans
- § Dust mop floors
- § Damp mop floors
- § Damp wipe tables and chairs
- § Clean vending machine glass
- § Clean sink & refrigerator

Computer Room:

- § Empty trash
- § Dust mop floors
- § Damp mop floors
- § Dust all flat surfaces

Mail/Supply Room:

- § Dust mop floors
- § Damp mop floors
- § Empty and clean trash containers
- § Dust all flat surfaces

WEEKLY:

Office Areas:

- § Dust lower areas of furniture
- § Remove unsightly dirt in "out of the way" areas
- § Clean fingerprints from doors and door jambs
- § Vacuum all heat/cool diffusers to remove dust accumulation
- § Dust pictures, thermostats, fire extinguishers

Rest Rooms:

- § Wash doors and partitions
- § Attention to floor, as necessary

Mail/Supply Room:

- § Attention to floor, as necessary

MONTHLY:

- § Wash all interior windows
- § Submit supply order
- § Check for cobwebs

QUARTERLY:

Strip and wax all tiled surfaces

Strip and wax lunch room

Wash all trash containers and waste baskets

Clean cove bases

EXHIBIT G

BASE RENT SCHEDULE

Period	Rentable Area	Rental Rate	Monthly Rent	Annual Rent
7/1/99 - 6/30/2004	25,926	\$14.00	\$30,247.00	\$362,964.00

EXHIBIT H
COMMENCEMENT DATE AGREEMENT
LEASE DATED _____, BY AND
BETWEEN _____ ("LANDLORD")
AND THE TRAVELERS INDEMNITY COMPANY ("TENANT")

THIS COMMENCEMENT DATE AGREEMENT (the "Agreement") is made this _____ day of _____, 19__ by and between Landlord and Tenant pertaining to certain space (the "Premises") as further described in the Lease, situated in the Building located at _____ (the "Building").

WITNESSETH:

WHEREAS, by Lease executed the _____ day of _____ 19__, which Lease is hereby incorporated herein by reference, Landlord leased to Tenant the Premises known as Suite/Floor _____, located in the Building; and the Scheduled Lease Commencement Date was _____.

WHEREAS, Landlord and Tenant now desire to establish the Lease Commencement Date and Lease Expiration Date of the Lease.

NOW, THEREFORE, Landlord and Tenant hereby agree as follows:

1. The Lease Commencement Date shall be _____, 19__ and the Lease Expiration Date shall by _____, 19__, unless sooner terminated or extended as provided by the Lease.
2. By execution hereof, Tenant hereby acknowledges that all improvements required to be completed of Landlord have been satisfactorily performed and Tenant does hereby accept the Premises delivered by Landlord as being in full compliance with the terms of the Lease except for the items contained in the punch list, or otherwise as provided in the Lease.
3. Except as hereby amended, the Lease shall continue in full force and effect.
4. This Agreement shall be binding upon the parties hereto, their heirs, executors, successors and assigns.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the day and year first above written.

LANDLORD:

TENANT:

**THE TRAVELERS INDEMNITY
COMPANY**

By: _____
Title: _____

By: _____
Title: _____

EXHIBIT I

SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT

THIS SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT (this "Agreement") is made and entered into this _____ day of _____, 19____, by and between _____ ("Lender"), a _____ corporation having an office at _____ and **THE TRAVELERS INDEMNITY COMPANY** ("Tenant"), a Connecticut corporation having an office at One Tower Square, Hartford, Connecticut, 06183, on the basis that:

- A. Tenant and _____, ("Landlord") entered into a Lease dated _____, 19____ (the "Lease"), for premises described in that Lease as _____ (the "Premises").
- B. Lender holds a mortgage which encumbers the Premises and other property (the "Mortgage").
- C. Tenant has agreed that the Lease shall be subject and subordinate to the Mortgage.
- D. Lender and Tenant wish to recognize Tenant's right to occupy the Premises according to the terms and conditions of the Lease.

IT IS HEREBY AGREED, in consideration of the promises and covenants contained herein, that during the term of the Lease and any extension thereof:

- 1. So long as Tenant is not in default in the performance of the terms, covenants or conditions of the Lease, Lender shall not terminate Tenant's interest in the Premises under the Lease because of any default under the Mortgage and Lender shall not disturb Tenant's possession or any other right of Tenant under the Lease.
- 2. Tenant agrees that if the interests of Landlord shall be transferred to and owned by Lender by reason of foreclosure or by any other legal manner, then Tenant shall attorn to Lender or the then owner and recognize Lender or the then owner (the "Successor Landlord") as the Landlord under the Lease.
- 3. If the Mortgage is foreclosed, the Lease shall continue in full force and effect, except that the Successor Landlord shall not:
 - a. be bound by any prepayment of more than one month's rent (except for any free rent or other rent abatement which shall have accrued);
 - b. be bound by any amendment, modification or termination of the Lease made

without the Successor Landlord's consent, after the foreclosure, unless the amendment, modification or ending is specifically authorized by this Lease and does not require prior agreement or consent by Landlord.

4. Lender agrees no property owned or removable by Tenant shall be subject to the lien of the Mortgage held by Lender or any mortgage made paramount to the Lease by means of this Agreement.
5. The terms of this Agreement shall not be affected by the renewal, modification, amendment, replacement or extension of the Lease.
6. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

LENDER:

TENANT:

THE TRAVELERS INDEMNITY COMPANY

By: _____

By: _____

Its _____

Its _____

EXHIBIT J RULES AND REGULATIONS

The following Rules and Regulations shall be and are hereby made a part of this Lease, and Tenant's employees and agents, or any others permitted by Tenant to occupy or enter the Premises, will at all times abide by said Rules and Regulations unless otherwise specified or provided for in the lease:

1. The sidewalks, entries, passages, corridors, stairways and elevators of the Building shall not be obstructed by Tenant, or Tenant's agents or employees, or used for any purpose other than ingress and egress to and from the Premises.
 - (a) Furniture, equipment or supplies will be moved in or out of the Building only upon the elevators designated by Landlord and then only during such hours and in such manner as may be reasonably prescribed by Landlord. Tenant shall cause its movers to use only the loading facilities, common entrances and elevators designated by Landlord. In the event Tenant's movers damage the elevators or any part of the Building, Tenant shall pay to Landlord the amount required to repair said damage.
 - (b) No safe or article, the weight of which may in the opinion of Landlord constitute hazard or damage to the Building or the Building's equipment, shall be moved into the Premises without Landlord's approval, which approval shall not be unreasonably withheld, conditioned or delayed.
 - (c) Safes and other equipment, the weight of which is not excessive, shall be moved into, from or about the Building only during such hours and in such manner as shall be reasonably prescribed by Landlord, and landlord and Tenant shall mutually agree to the location of such articles in the Premises.
2. Except as otherwise provided for in this Lease, no sign, advertisement or notice shall be inscribed, painted or affixed on any part of the inside or outside of the Building unless the color, size, style and location are approved by landlord, which approval shall not be unreasonably withheld, conditioned or delayed. No furniture shall be placed in front of the Building or in any lobby or corridor without the prior written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Landlord shall have the right to remove all nonpermitted signs and furniture without notice of Tenant.
3. Tenant shall not employ any person or persons other than the janitor or cleaning contractor of landlord for the purpose of cleaning or taking care of the Premises without the prior written consent of landlord, which consent shall not be unreasonably withheld, conditioned or delayed. Except as otherwise provided in this lease, landlord shall not be responsible to Tenant for any loss of property from the Premises, however occurring. The janitor of the Building may at all times keep a pass key, and other agents of landlord shall at all times be allowed admittance to the Premises in accordance with the provisions set forth in this Lease.
4. Water closets and other water fixtures shall not be used for any purpose other than that for which the same are intended, and any damage "resulting to the same from misuse on the part of Tenant or Tenant's agents and employees shall be paid for by Tenant. No person shall waste water by tying back or wedging the faucets or in any other manner.

5. No animals except seeing-eye dogs or other animals necessary to the functioning of disabled persons shall be allowed in the offices, halls, corridors and elevators of the Building. No persons shall disturb the occupants of this or adjoining buildings or premises by the use of any radio, sound equipment or musical instrument or by the making of loud or improper noises.
6. Bicycles or other vehicles, other than wheelchairs, shall not be permitted in the offices, halls, corridors and elevators in the Building nor shall any obstruction of sidewalks or entrances of the Building by such vehicles be permitted.
7. Tenant shall not allow anything to be placed on the outside of the Building, nor shall anything be thrown by Tenant or Tenant's agents or employees out of the windows or doors, or down the corridors, elevator shafts, or ventilating ducts or shafts of the Building. Tenant, except in case of fire or other emergency, shall not open any outside window.
8. No awnings shall be placed over any window.
9. Tenant shall not install or operate any steam or gas engine or boiler, or carry on any mechanical business, other than such mechanical business as normally is identified with general office use of the Premises. Explosives or other articles of an extra hazardous nature shall not be brought into the Building.
10. Any painting or decorating as may be agreed to be done by and at the expense of Landlord shall be done during regular weekday working hours. Should Tenant desire such work on Saturdays, Sundays, holidays or outside of regular working hours, Tenant shall pay for the extra cost thereof, if any.
11. Landlord may reasonably amend, modify, delete or add new and additional rules and regulations to the use and care of the Property provided Landlord receives the prior written approval of Tenant. Such approval by Tenant shall not be unreasonably withheld, conditioned or delayed, and all requests shall be responded to in a timely manner. Tenant shall comply with all such rules and regulations upon notice to Tenant from Landlord thereof. In the event of any breach of any rules and regulations herein set forth or any reasonable amendments, modifications or additions thereto, Landlord shall have all remedies provided for in this Lease in the event of default by Tenant.

EXHIBIT K

SHORT FORM MEMORANDUM

THIS SHORT FORM MEMORANDUM (this "Agreement") is made and entered into this _____ day of _____, 19____, by and between **THE CITY OF ELMIRA NEW YORK**, a municipal corporation organized and existing under the laws of New York, having its principal offices at City of Elmira, City Hall, Third Floor, 317 E. Church Street, Elmira, New York 14901, Attn: Law Department ("Landlord") and **THE TRAVELERS INDEMNITY COMPANY**, a Connecticut corporation, having its principal offices at One Tower Square, Hartford, Connecticut, 06183-7130 ("Tenant").

WITNESSETH:

That Landlord, in consideration of the rents reserved and the covenants, agreements and conditions in a certain lease between the same parties dated the _____ day of _____, 19____, has leased to, and Tenant has leased from Landlord premises consisting of approximately 25,926 rentable square feet, located in the Town/City of Elmira, County of _____ and State of New York, and as further described in the description attached hereto as Exhibit A, in a certain building located at 116 Baldwin Street, Elmira, New York 14901, for a term commencing on the 1st day of July, 1999, and expiring on June 30, 2004, under the terms, covenants and conditions contained in said Lease.

Tenant has the right to extend the term of the Lease for two (2) additional successive period(s) of up to five (5) year(s) each.

A copy of said Lease is on file at the office of the Tenant.

Nothing in this Agreement shall be deemed to have changed any of the terms or conditions of the Lease.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals.

WITNESSES:

LANDLORD:

THE CITY OF ELMIRA

By _____

TENANT:

THE TRAVELERS INDEMNITY COMPANY

By _____

Its

STATE OF _____)
) SS. at _____
COUNTY OF _____)

On this, the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of _____, a corporation, and that he/she as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, on behalf of the corporation, by signing the name of the corporation by himself/herself as _____.

In Witness Whereof I hereunto set my hand.

Notary Public/
Commissioner of the
Superior Court

STATE OF _____)
) SS. at _____
COUNTY OF _____)

On this, the _____ day of _____, 19____, before me, the undersigned officer, personally appeared _____, who acknowledged himself/herself to be the _____ of _____, a corporation, and that he/she as such _____, being authorized so to do, executed the foregoing instrument for the purposes therein contained, on behalf of the corporation, by signing the name of the corporation by himself/herself as _____.

In Witness Whereof I hereunto set my hand.

Notary Public/
Commissioner of the
Superior Court

EXHIBIT L
PRESENT LEASE HOLDOVER PROVISION
(See Attached)

1.02 EXHIBITS

These Exhibits, attached hereto, are incorporated herein as part of this Lease:

EXHIBITS:	A-1	Description of Land
	A-2	Tax Assessor's Plan
	A-3	Plan of Premises
	A-4	Plan of Parking Area
	B-1	Operating Cost Information Form
	B-2	Real Estate Tax Information Form
	C	Base Building Improvements
	D	Work Letter Agreement
	E	Janitorial Service and Supplies
	F	Direct Deposit Form
	G	Base Rent Schedule
	H	Commencement Date Agreement (Intentionally Deleted)
	I	Subordination, Attornment and Non-Disturbance Agreement
	J	Building Rules and Regulations
	K	Short Form Memorandum
	L	Specifications for Environmental Site Assessment (Intentionally Deleted)

In each instance in which the provisions of this Article I shall contradict or be inconsistent with the specific and detailed provisions of Articles II through X herein, the provisions of Articles II through X shall prevail.

**ARTICLE II.
BASIC LEASE PROVISIONS**

2.01 PARTIES

This Lease is entered into by and between the Landlord and the Tenant identified in Article I.

2.02 NOTICES

All notices and notifications required or permitted under this Lease to be sent from one party to the other shall be in writing and sent by a nationally recognized private carrier of overnight mail (e.g., Federal Express) or by United States certified mail, return receipt requested and postage prepaid, to either Landlord or Tenant, as the case may be, at the addresses identified in Article I, or at such other addresses as the parties may designate by written notice from time to time.

All notices shall be deemed effective three (3) days after the date of mailing or on the date of actual receipt or refusal, if sooner.

2.03 PREMISES, BUILDING AND LAND

Landlord leases to Tenant upon the terms and conditions contained in this Lease, the Premises as defined in Article I, together with the right, in common with others, to use the Common Area Facilities (as hereinafter defined) of the Building and of the Land on which the Building is located.

As used in this Lease, the "Common Area Facilities" shall include all loading docks, freight and passenger elevators, sidewalks, parking areas, driveways, hallways, stairways, public restrooms, common entrances, lobby, emergency systems and other similar public areas and access ways of the Building and the Land.

Tenant may increase or decrease the Rentable Area of the Premises and the corresponding Tenant's Proportionate Share and Base Rent (as hereinafter defined), by up to ten percent (10%) based upon Tenant's final "design intent" drawings referred to in Exhibit C (WORK LETTER AGREEMENT).

Landlord shall make no change to the Building configuration that increases Tenant's Proportionate Share (as identified in Article I), by more than five percent (5%), or that materially effects Tenant's use of or access to the Premises without Tenant's prior written consent.

2.04 AREA VERIFICATION AND MEASUREMENT

It is hereby understood and agreed by both parties hereto, that the Rentable Area of the Premises and the Usable Area of the Premises, as stated in Article I hereof, is an estimate, and the final Rentable Area of the Premises and the final Usable Area of the Premises shall be determined upon the completion of the Tenant Improvements, as further described in Exhibit D (WORKLETTER AGREEMENT), attached hereto and made a part hereof.

For purposes of this Lease, the Premises and the Building shall be measured in accordance with the Building Owners and Management Association (BOMA) Method, American National Standard (ANSI Z65.1-1996). All references to rentable area and usable area as used in this Lease shall refer to rentable and usable area calculations derived by the application of BOMA. Landlord shall provide, upon Tenant's request, the calculations which show how the Total Rentable Area of the Building and Rentable Area of the Premises were derived.

For purposes of this Lease, it is hereby understood and acknowledged by both parties hereto, that Tenant is currently a tenant in the Building pursuant to a certain lease dated April 22, 1991, as thereafter modified and amended, by and between the Landlord and The Aetna Casualty and Surety Company (an affiliated company of Tenant) (the "Existing Lease"). Tenant's current premises consist of approximately 32,080 rentable square feet (the "Existing Premises"). Tenant shall be reducing the rentable area of the Existing Premises and reconfiguring the same to form the Premises which shall be a part of this Lease.

Tenant shall reconfigure its Existing Premises and adjust the rentable area of the same no later than the earlier of:

- (i) ninety (90) days from the Scheduled Lease Commencement Date, or
- (ii) upon substantial completion of the Tenant Improvements (as defined in Exhibit D (WORKLETTER AGREEMENT), attached hereto) and the reconfiguration of the Existing Premises.

Upon completion of the Tenant Improvements, Landlord hereby agrees, at its sole cost and expense, to provide Tenant with an architect's certification of the Rentable Area of the Premises and the Usable Area of the Premises, and the Total Rentable Area of the Building (the "Certification"). It is hereby agreed by both parties hereto that in no event shall the Total Rentable Area of the Premises be less

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE ("First Amendment") is made and entered into this 26th day of July, 1999, by and between THE CITY OF ELMIRA, NEW YORK, a municipal corporation organized and existing under the laws of the state of New York (the "Landlord") and THE TRAVELERS INDEMNITY COMPANY, a Connecticut corporation (the "Tenant").

WITNESSETH:

WHEREAS, pursuant to a certain lease, dated as of April 15, 1999 (the "Lease"), by and between Landlord and Tenant, Landlord leased to Tenant certain premises, consisting of 25,926 square feet of Rentable Area, situated on the first floor (the "Premises") of the Building known as Eastowne Mall, located at 116 Baldwin Street, Elmira, New York 14901 (the "Building"); and

WHEREAS, Tenant hereby desires to exercise its option under the Lease, pursuant to Section 5.05 (ADDITIONAL SPACE OPTION), to acquire such Additional Space, as described therein, and Landlord hereby agrees to lease such Additional Space to Tenant; and

WHEREAS, accordingly, the parties desire to amend the Lease in order to provide for the expansion of the Premises, among other things, as hereinafter set forth.

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. **PREMISES.** Subsection 1.01(E) (CERTAIN TERMS/PREMISES) and Section 2.03 (PREMISES, BUILDING AND LAND) of the Lease shall be amended as follows:
 - (A) Effective as of December 1, 1999 (the "Scheduled Additional Space Effective Date"), such Sections 1.01 and 2.03 of the Lease shall be amended such that the total Rentable Area of the Premises shall be increased by 9,000 square feet of Rentable Area (9,000 square feet of Usable Area) (hereafter the "Additional Space"), as identified by cross hatching on Exhibit A-3 (PLAN OF PREMISES) attached hereto and made a part hereof. It is hereby understood and agreed that, notwithstanding the foregoing, the actual Additional Space Effective Date shall be the date which is the first business day following a total period of three (3) months after the date which Landlord delivers possession of the Premises to Tenant, such that Tenant may commence its Tenant Improvement Work (and the Base Building Improvement Work, as described in Exhibit D and modified herein) for the Additional Space, in order to prepare the same for its occupancy, provided that: (i) Landlord delivers possession of the Additional Space to Tenant on the Additional Space Possession Delivery Date, as hereafter defined; (ii) an event of Force Majeure (as defined in the Lease) has not occurred which would prevent Tenant from commencing or substantially completing the Tenant Improvement Work and the Base Building Improvement Work for the Additional Space within a period of three (3) months from the date of receipt of possession of the Additional Space from Landlord; (iii) a Landlord Delay (as defined in Exhibit D) has not occurred which would prevent Tenant from commencing or substantially completing the Tenant Improvement Work and the Base Building Improvement Work, for the Additional Space within a period of three (3) months from the date of receipt of possession of the Additional Space from Landlord; (iv) in addition to the Additional Space, access to those certain areas of the Building, as provided in Section 2.06(iv) of the Lease, have been provided to Tenant for the Additional Space; and (v) provided that Tenant has applied for the same, in an expeditious manner, and Landlord has in no way unduly delayed Tenant's receipt of the same, Tenant has secured a temporary or permanent certificate of occupancy in order to occupy the Additional Space. However, it is hereby agreed and acknowledged, that Tenant's obtaining of a temporary or permanent certificate of occupancy shall only be a determination of the Additional Space Effective Date in the event that Tenant is not able to obtain one due to (x) any acts or omissions of Landlord (or its agents, contractors or employees), or (y) Tenant has expeditiously applied for the same, however, the applicable governmental authority has not yet issued it, due

to no act or omission of Tenant, or its agents, employees or contractors. Therefore, it is hereby understood and agreed that, subject to the terms of Article 3.03 of Exhibit D (WORK LETTER AGREEMENT), the Additional Space Effective Date shall occur as of the later of the (A) Scheduled Additional Space Effective Date, or (B) the first business day following a period of three (3) months after the date which Landlord delivers possession of the Premises to Tenant, subject to the foregoing provisions (i) - (v) of this Section 1 (the "Additional Space Effective Date"). Landlord and Tenant hereby agree to confirm the actual Additional Space Effective Date in writing, within thirty (30) days of the occurrence of the same.

(B) It is hereby understood and agreed that the total Rentable Area of the Additional Space has been verified, in accordance with Section 2.04 (AREA VERIFICATION AND MEASUREMENT) of the Lease, and is certified to be 9,000 square feet of Rentable Area (and 9,000 square feet of Usable Area) (hereafter the "Certification for the Additional Space").

(C) As of the Additional Space Effective Date (which date shall be confirmed in writing, as described in Subsection A above), the total Rentable Area of the Premises shall consist of 34,926 square feet, and the total Usable Area of the Premises shall consist of 34,926 square feet.

(D) Pursuant to the terms of Section 2.04 (AREA VERIFICATION AND MEASUREMENT) of the Lease, Tenant has completed the physical measurement of the Premises, and it is hereby acknowledged that the Rentable Area of the Premises (not including the Additional Space) is confirmed to be the 25,926 square feet, and the Total Rentable Area of the Building is confirmed to be 53,466 square feet, based upon such Certification.

(E) EXHIBIT A-3. As of the Additional Space Effective Date, Exhibit A-3 (PLAN OF PREMISES), attached to the Lease and made a part thereof, shall be replaced with the Exhibit A-3, attached hereto and made a part hereof.

2. IMPROVEMENTS. Tenant shall accept the Additional Space in its "as is" condition, with all of the Base Building Improvements, as described in Exhibit C (BASE BUILDING IMPROVEMENTS), included therewith, in their "as is" condition, and provided to the Additional Space on a pro-rata basis, based upon the respective total Rentable Area of the Additional Space, in relation to the total Rentable Area of the original Premises, subject to the Base Building Improvement Work to be performed by Tenant, at Landlord's sole cost and expense. In addition, Landlord shall provide Tenant with an allowance, as hereafter described, in order for Tenant to prepare the Additional Space for its use and occupancy.

The Tenant Improvements for the Additional Space (hereafter the "Additional Space Tenant Improvements") shall be performed and completed by Tenant in accordance the terms of Exhibit D (WORK LETTER AGREEMENT), as modified herein. Any Additional Space Tenant Improvements completed by Tenant, shall immediately become the property of Landlord, upon completion, unless otherwise agreed to in writing.

In accordance with the foregoing, (i) Article 2.02 (TENANT IMPROVEMENTS) of such Exhibit D shall be amended such that Tenant shall submit it Plans for the Additional Space, prepared by a registered architect, to Landlord for approval, on or before _____, 1999; (ii) Article 2.03 (PAYMENT OF THE TENANT IMPROVEMENTS) of Exhibit D shall be amended such that the Tenant Improvement Allowance for the Additional Space Tenant Improvements shall be Eighteen and 33/100 Dollars (\$18.33) per square foot of Rentable Area of Additional Space (the "Additional Space Tenant Improvement Allowance") and such Base Building Improvement Work shall be completed by Tenant, pursuant to the terms of Article 2.01 of Exhibit D, at the sole cost and expense of Landlord, as set forth therein; and (iii) Landlord shall deliver possession of the Additional Space to Tenant on or before September 1, 1999 (hereafter the Additional Space Possession Delivery Date"), provided that Landlord has received the Plans for the Additional Space from Tenant and approved the same in the manner set forth for approval in Article 2.02 of Exhibit D; and (iv) all other terms of such Exhibit D shall apply to the Additional Space (to the extent they are applicable to the same), by substituting the term "Additional Space" for the Premises, the "Scheduled Additional Space Effective Date" for the Scheduled Lease Commencement Date, and "Additional Space Effective Date" for the Lease Commencement Date.

3. **RENT.** As of the Additional Space Effective Date, Exhibit G (BASE RENT SCHEDULE) of the Lease, and as referenced in Section 3.01 (RENT) of the Lease and any other provision of the Lease, shall be amended, as set forth in the "Exhibit G", attached hereto and made a part hereof.
4. **ESCALATION.** In accordance with the terms of Section 5.05 (ADDITIONAL SPACE OPTION) of the Lease, the Base Year for purposes of Operating Cost Escalation for the Additional Space shall be calendar year 2000, and the Base Tax Year for purposes of Real Estate Tax Escalation for the Additional Space shall be the later to occur of (i) calendar year 2000, or (ii) the first Tax Year in which the Building no longer carries a tax exempt status and is 100% fully assessed and 100% fully taxed, as a 100% fully completed structure.

In addition, as of the Additional Space Effective Date, based on a Total Rentable Area of the Building of 53,466 square feet, Tenant's Proportionate Share, as defined in Section 1.01(H) (CERTAIN TERMS) and Section 3.02 (ESCALATION) of the Lease, shall be amended (based on the new total Rentable Area of the Premises) such that Tenant's Proportionate Share of the Total Rentable Area of the Building shall be 65.32%. For purposes of calculating the Operating Cost Escalation and the Real Estate Tax Escalation for the Additional Space, the Additional Space shall have a proportionate share of the Total Rentable Area of the Building of 34.71% (hereafter the "Additional Space Proportionate Share").

5. **PARKING.** In accordance with Section 4.03 (PARKING) and Subsection N of Section 1.01 (CERTAIN TERMS) of the Lease, as of the Additional Space Effective Date, Tenant shall also acquire an additional fifty-nine (59) parking spaces in the Eastowne Parking Garage, for a total of 228 parking spaces. Of the 228 parking spaces, the first four (4) parking spaces for every 1,000 square feet of Rentable Area of the Premises (or one hundred-forty (140) parking spaces) are to be provided at no additional cost to Tenant, and the balance of parking spaces (based on 2.5 parking spaces for every 1,000 square feet of Rentable Area of the Premises, or eighty-eight (88) parking spaces), shall be provided to Tenant at the cost of \$10.53 per parking space, per month.
6. **ADDITIONAL SPACE OPTION.** It is hereby acknowledged that, by this First Amendment to Lease, Tenant has simultaneously exercised both of its Additional Space Options pursuant to Section 5.05 of the Lease. Therefore, as of the date hereof, Section 5.05 of the Lease shall be of no further force or effect and shall be deemed exercised.
7. **BROKERS.** Pursuant to the terms of Section 10.07 (BROKER'S WARRANTY) of the Lease, Landlord and Tenant hereby represent and warrant that they have dealt with no real estate broker in connection with this First Amendment, and that no broker is entitled to any commission on account of this First Amendment.
8. **BINDING EFFECT.** The terms of this First Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
9. **CAPITALIZED TERMS.** Capitalized terms herein shall have the same meaning as set forth in the Lease, except as otherwise specifically defined herein.
10. **RATIFICATION.** All provisions, covenants and conditions of the Lease are hereby ratified, confirmed and incorporated herein in their entirety by this reference, and the Lease shall remain in full force and effect and the terms of this First Amendment shall control over any conflicts between the terms of the Lease and the terms of this First Amendment.

IN WITNESS WHEREOF, Landlord and Tenant have executed this First Amendment as of the day and year first above written.

WITNESSES:

Maria J. Kienigler
Rebecca J. Jelen

LANDLORD:

The City of Elmira, New York

Stephen M. Hughes
By: Stephen M. Hughes, Mayor
Pursuant to Council Res. # 99-285

TENANT:

The Travelers Indemnity Company

Ronald M. O'Neil
Glenn L.

By: Andy F. Bessette
Title: Andy F. Bessette
Vice President

KMS
7/23/99

"EXHIBIT G"

BASE RENT SCHEDULE

<u>Period</u>	<u>Rentable Area</u>	<u>Rental Rate</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
7/1/99 - 11/30/99	25,926 →	\$14.00	\$30,247.00	\$362,964.00
12/1/99 - 6/30/2004	34,926	\$14.00	\$40,747.00	\$488,964.00

SECOND AMENDMENT TO LEASE

THIS SECOND AMENDMENT TO LEASE ("Second Amendment") is made and entered into this 5th day of NOVEMBER, 2002, by and between

THE CITY OF ELMIRA, NEW YORK, a municipal corporation organized and existing under the laws of the State of New York (the "Landlord")

and

THE TRAVELERS INDEMNITY COMPANY, a Connecticut corporation (the "Tenant").

WITNESSETH:

WHEREAS, pursuant to a certain Lease dated as of April 15, 1999 (the "Lease") by and between Landlord and Tenant, Landlord leased to Tenant certain premises consisting of 25,926 square feet of Rentable Area situated on the first floor (the "Premises") of the Building known as Eastowne Mall located at 116 Baldwin Street, Elmira, NY 14901 (the "Building"); and

WHEREAS, the parties amended the Lease pursuant to the terms set forth in the First Amendment To Lease dated as of July 26, 1999 (the "First Amendment") in order to provide for the expansion of the Premises; and

WHEREAS, in addition to the Premises leased under the Lease and the First Amendment, the Landlord had previously leased to Tenant an area consisting of 10,621 square feet within the Building pursuant to a certain lease dated November 1, 1996 ("Earlier Lease") by and between the Landlord and Tenant, which Earlier Lease expired on October 31, 2001; and

WHEREAS, Tenant has remained in a portion of the area covered by the Earlier Lease following the expiration date of such Earlier Lease; and

WHEREAS, the parties desire to amend the Lease in order to provide for the expansion of the Premises in order to include such space in which Tenant has remained and which Tenant previously leased under the Earlier Lease; and

WHEREAS, in accordance with Section 2.04 (AREA, VERIFICATION AND MEASUREMENT) of the Lease, the total area presently occupied by the Tenant has been measured in accordance with the Building Owners and Management Association ("BOMA") Method, American National Standard (ANSI Z65.1-1996); and

WHEREAS, the parties desire to amend the Lease to establish the total Rentable Area of the Premises; and

WHEREAS, the effective date of the modifications, hereafter set forth, shall be November 1, 2001 (the "Effective Date"), except to the extent otherwise expressly noted;

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. **PREMISES.** As of the Effective Date, the Rentable Area of the Premises shall be increased by an additional 5,962 square feet of Rentable Area (hereafter the "Additional Space"). Subsection 1.01(E) (CERTAIN TERMS/PREMISES) and Section 2.03 (PREMISES, BUILDING AND LAND) of the Lease shall be amended as follows:

(A) Sections 1.01 and 2.03 of the Lease are amended such that the total Rentable Area of the Premises shall consist of 40,888 square feet; as identified by the areas in orange, purple and dark green colors on Exhibit A-3 (PLAN OF PREMISES) attached hereto and made a part hereof.

(B) Pursuant to the terms of Section 2.04 (AREA VERIFICATION AND MEASUREMENT) of the Lease, the Landlord and Tenant agree that the physical measurement of the Premises using the BOMA method has been completed and the parties acknowledge that the Rentable Area of the Premises is confirmed to be 40,888 square feet and the Total Rentable Area of the Building is confirmed to be 55,354 square feet; and no further measurement of the Premises shall be required in order to comply with such terms of Section 2.04, and the terms of the first, second and third grammatical paragraphs of such Section 2.04 are hereby deemed to be satisfied.

(C) EXHIBIT A-3. As of the Effective Date, EXHIBIT A-3 (PLAN OF PREMISES) attached to the Lease as previously amended by the First Amendment, shall be replaced with the Exhibit A-3 attached hereto and made a part hereof.

2. **RENT.** As of the Effective Date, EXHIBIT G (BASE RENT SCHEDULE) of the Lease and as referenced in Section 3.01 (RENT) of the Lease and any other provision of the Lease, all as amended by the First Amendment, is further amended, as set forth in the "Exhibit G" attached hereto and made a part hereof.

3. **ESCALATION.** For purposes of Section 3.02 (ESCALATION) of the Lease, the Base Year for the Additional Space, for purposes of Operating Cost Escalation, shall be calendar year 2000;

and the Base Tax Year for purposes of Real Estate Tax Escalation for the Additional Space shall be calendar year 2000, provided that the Building is 100% fully assessed and 100% fully taxed, as a 100% fully completed structure for the same. In the event that the Building was not 100% fully assessed and 100% fully taxed, as a 100% fully completed structure as of calendar year 2000, the Base Tax Year for Real Estate Tax Escalation purposes shall be adjusted as provided in Section 3.02(B) of the Lease.

In addition, as of the Effective Date, based on a Total Rentable Area of the Building of 55,354 square feet, Tenant's Proportionate Share, as defined in Section 1.01(H) (CERTAIN TERMS) and Section 3.02 (ESCALATION) of the Lease, as previously amended by the First Amendment, is further amended (based on the new Total Rentable Area of the Premises) such that Tenant's Proportionate Share of the Total Rentable Area of the Building is 73.87 percent (73.87%).

4. **IMPROVEMENTS.** For purposes hereof, Tenant shall accept the Additional Space in its "as is" condition, and Landlord shall have no obligation to improve, alter or remodel the same for or on behalf of Tenant.

The parties acknowledge and agree that all of the improvements provided for and all tenant improvement allowances pursuant to Section 2.08 (IMPROVEMENTS) and Exhibit D (WORK LETTER) of the Lease, and as amended by the First Amendment, have been completed, and Tenant acknowledges that Landlord has paid to Tenant or Tenant has received a credit to its rent the total of which payments and credits equals the total of all tenant improvement allowances due to Tenant pursuant to the Lease and the First Amendment.

5. **PARKING.** In accordance with the terms of Section 4.03 (PARKING) and Subsection N of Section 1.01 (CERTAIN TERMS) of the Lease as of the Effective Date, Tenant shall have a total of 265 parking spaces in the Eastowne Parking Garage. Of the 265 parking spaces, the first four (4) parking spaces for every 1,000 square feet of Rentable Area of the Premises (or one hundred sixty-three (163) parking spaces) are to be provided at no additional cost to Tenant, and the balance of parking spaces (based on 2.5 parking spaces for every 1,000 square feet of Rentable Area of the Premises, or one hundred two (102) parking spaces), shall be provided to Tenant at the cost of \$10.53 per parking space per month.

6. **BROKERS.** Pursuant to the terms of Section 10.07 (BROKER'S WARRANTY) OF THE Lease, Landlord and Tenant hereby represent and warrant that they have dealt with no real estate broker in connection with this Second Amendment, and that no broker is entitled to any commission on account of this Second Amendment.

7. **BINDING EFFECT.** The terms of this Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

8. **CAPITALIZED TERMS.** Capitalized terms herein shall have the same meaning as set forth in the Lease, except as otherwise specifically defined herein.

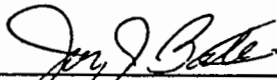
9. **RATIFICATION.** All provisions, covenants and conditions of the Lease are hereby ratified, confirmed and incorporated herein in their entirety by this reference, and the Lease shall remain in full force and effect and the terms of this Second Amendment shall control over any conflicts between the terms of the Lease and the First Amendment and the terms of this Second Amendment.


10. **EXHIBITS.** The following exhibits (the "Exhibits") were attached to this Second Amendment and made a part hereof prior to the execution of this Second Amendment:

Exhibit A-3	Plan of Premises
Revised Exhibit G	Base Rent Schedule

IN WITNESS WHEREOF, Landlord and Tenant have executed this Second Amendment as of the day and year first above written.

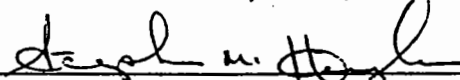
WITNESSES:





LANDLORD:

THE CITY OF ELMIRA, NEW YORK

By 
Stephen M. Hughes, Mayor
Resolution No. 2002-408

TENANT:

**THE TRAVELERS INDEMNITY
COMPANY**

By 

Title _____

FRANKLIN L. HILL
VICE PRESIDENT

llw
10/11/02

EXHIBIT A-3
PLAN OF PREMISES

(See attached map)

LEGEND

- [] GROSS BUILDING AREA (S.F.)
- [] TRUCKING/CRANE/LOADING AREA (S.F.)
- [] RENTAL SPACE (S.F.)
- [] COMMON MALL SPACE (S.F.)
- [] MAJOR VERTICAL PENETRATIONS (S.F.)
- [] WALL COMMON AREAS (S.F.)
- [] COMMON RESTROOMS (S.F.)
- [] NON-RENTABLE WALL AREAS (S.F.)

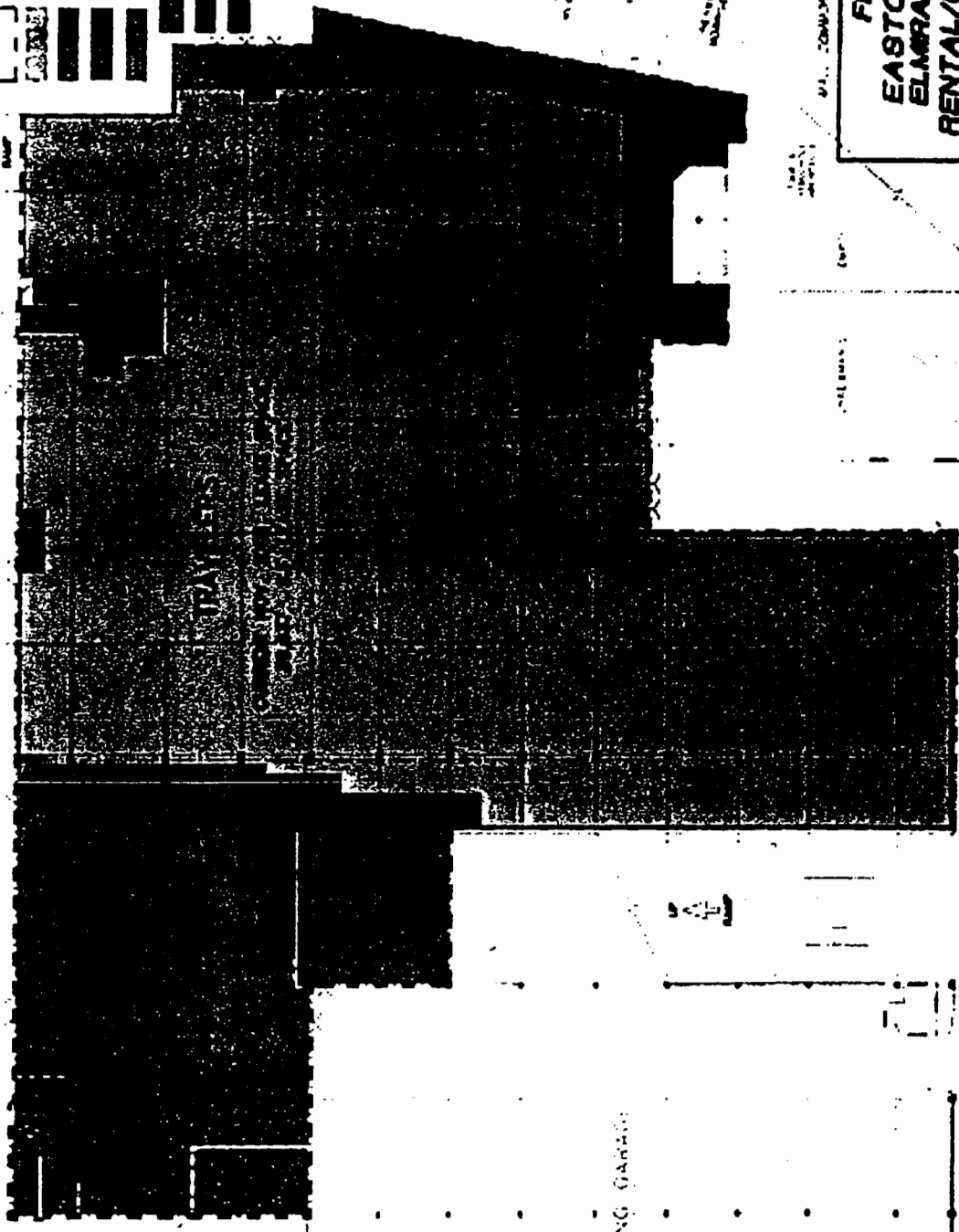


FIGURE 1
EASTOWNE MALL
ELMIRA, NEW YORK
RENTAL/USABLE SPACE

CF FAGAN ENGINEERS
 Environmental Consultants
 P.O. BOX 2000
 ELMIRA, NY 14902-2000

EAST WATER STREET

BALDWIN STREET

PARKING GARAGE

AMENDED EXHIBIT "G"
BASE RENT SCHEDULE

<u>Period</u>	<u>Rentable Area</u>	<u>Rentable Rate (prsf)</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1/99 - 12/30/99	25,926 sq. ft.	\$14.00	\$30,247.00	\$362,964.00
1/1/99 - 12/31/2001	34,926 sq. ft.	\$14.00	\$40,747.00	\$488,964.00
1/1/01 - 12/30/04	40,888 sq. ft.	\$14.00	\$47,702.67	\$572,432.00

THIRD AMENDMENT TO LEASE

THIS THIRD AMENDMENT TO LEASE ("Third Amendment") is made and entered into this 8th day of DECEMBER, 2003, by and between

THE CITY OF ELMIRA, NEW YORK, a municipal corporation organized and existing under the laws of the State of New York (the "Landlord")

and

THE TRAVELERS INDEMNITY COMPANY, a Connecticut corporation (the "Tenant").

WITNESSETH:

WHEREAS, pursuant to a certain Lease dated as of April 15, 1999 (the "Lease") by and between Landlord and Tenant, Landlord leased to Tenant certain premises consisting of 25,926 square feet of Rentable Area situated on the first floor (the "Premises") of the Building known as Eastowne Mall located at 150 Baldwin Street, Suite A (previously referred to as 116 Baldwin Street), Elmira, NY 14901 (the "Building"); and

WHEREAS, the parties amended the Lease pursuant to the terms set forth in the First Amendment to Lease dated as of July 26, 1999 (the "First Amendment") in order to provide for the expansion of the Premises; and

WHEREAS, the parties further amended the Lease pursuant to the terms set forth in the Second Amendment to Lease dated as of November 5, 2002 (the "Second Amendment") in order to establish the total Rentable Area of the Premises; and

WHEREAS, said Lease expires on June 30, 2004; and

WHEREAS, Tenant desires to extend the Lease Term and to provide for such other related matters as set forth herein; and

WHEREAS, Landlord is in agreement with the same, and therefore, Landlord and Tenant desire to amend the Lease in order to extend the Lease Term and to provide for such other matters, as set forth herein.

WHEREAS, the effective date of the modifications, hereafter set forth, shall be July 1, 2004, except to the extent otherwise expressly noted, and subject to the terms and conditions hereinafter set forth (the "Effective Date").

NOW, THEREFORE, in consideration of the promises and mutual covenants set forth herein, the parties, intending to be legally bound, hereby agree as follows:

1. **CAPITALIZED TERMS**. All capitalized terms used in this Third Amendment without definition shall have the definitions ascribed to such terms in the Lease.

2. **PREMISES**. For the Lease Term of the Lease provided for in this Third Amendment, Landlord and Tenant hereby agree that the Premises shall remain as described in the Lease, consisting of 40,888 square feet of Rentable Area, situated on the first (1st) floor of the Building, and Tenant shall accept the same in its "as is" condition, and Landlord shall have no obligation to improve or alter the Premises, except to the extent hereafter set forth.

3. **LEASE TERM**. For purposes of this Third Amendment, Section 2.06 (LEASE TERM) of the Lease shall be amended such that, as of the Effective Date, the Lease Term shall hereby be extended for a period of five (5) years (hereafter the "Lease Term") and shall therefore expire on June 30, 2009, unless sooner terminated, extended or renewed, as provided for herein or in the Lease (hereafter the "Lease Expiration Date"). It is hereby agreed by Landlord and Tenant that none of the other terms and conditions of such Section 2.06 with respect to the determination of the Effective Date shall apply to the Lease Term set forth in this Third Amendment, and shall be deemed of no force and effect with respect to this Third Amendment.

4. **IMPROVEMENTS**. Section 2.08 (IMPROVEMENTS) of the Lease shall be amended such that for purposes of this Third Amendment and the Lease Term provided for herein, such Section 2.08 shall mean the following:

"Tenant shall accept the Premises (for the Lease Term provided for in this Third Amendment) in an "as is" condition, and Landlord shall have no obligation to improve, alter or remodel the same. However, Landlord and Tenant hereby acknowledge that, in addition to certain work which must be done to the Premises in order to update the same for Tenant's continued occupancy, certain other improvements, which are capital in nature, should be made to the Building and the Premises in order to refurbish the same for the Lease Term provided for herein (hereafter collectively known as the "**Capital/Tenant Improvements**"). These Capital/Tenant Improvements consist of; HVAC upgrades, demising restroom walls, ladies restroom work and other miscellaneous work which must be completed in order to upgrade and refurbish the Building and Premises for Tenant's continued occupancy. Landlord and Tenant hereby acknowledge and agree that Tenant shall perform such Capital/Tenant Improvements on its own behalf and Landlord shall provide Tenant with an allowance of Four Hundred Thirty-Four Thousand Four Hundred Ninety-Two and 00/100 Dollars (\$434,492.00) (hereafter the "**Allowance**"). Landlord hereby agrees that the Allowance may also be used by Tenant to pay any broker commissions related to this Third Amendment, and the sum of \$114,486.00 has been included therewith for such purpose. Tenant may allocate the Allowance as Tenant chooses, and there shall be no Landlord construction management supervision or other supervision or administrative fees associated with the Capital/Tenant Improvements; however, Landlord may

hire a consultant or use it's own staff to coordinate/review the design and construction with Tenant's contractor, however, at Landlord's sole cost and expense. All Capital/Tenant Improvements shall be performed and completed in accordance with the terms of Section 5.02 (ALTERATIONS) of the Lease, and Exhibit D (WORK LETTER AGREEMENT) to the extent applicable. Tenant may select, at its discretion (and Landlord agrees not to specify the same), all consultants, vendors, architects, engineers, contractors and subcontractors for the performance of the Capital/Tenant Improvements . The Capital/Tenant Improvements shall be performed in a good and workmanlike manner by Tenant or its contractors or subcontractors, and shall comply at the time of completion with all applicable Laws, as described in Section 6.02(B) (REQUIREMENTS OF LAW) of the Lease. Tenant shall be responsible for procuring all necessary permits for the Capital/Tenant Improvements and Landlord shall cooperate with Tenant, or Tenant's agents or contractor's in the procurement of such permits. Tenant shall provide Landlord with copies of as-built drawings of all structural, mechanical, electrical or plumbing Alterations, or any Alterations which involve the demolition, relocation or construction of demising partitions, completed by Tenant. Tenant hereby agrees to commence the Capital/Tenant Improvements prior to the Effective Date of this Third Amendment.

It is hereby agreed that the Allowance shall be paid by Landlord to Tenant in the form of a monthly rent credit against the monthly installments of Base Rent, commencing as of January 1, 2004, notwithstanding the actual Effective Date of this Third Amendment, and continuing for a period of nineteen (19) months (therefore ending as of July 31, 2005), until Tenant is paid in full. Tenant shall be permitted to retain any unused portion of the Allowance. Such monthly credit of the Base Rent shall equal Twenty-Two Thousand Eight Hundred Sixty-Eight and 00/100 Dollars (\$22,868.00)."

5. **RENT.** As of the Effective Date, Section 3.01 (RENT) of the Lease shall be amended for purposes of the Lease Term set forth in this Third Amendment, such that Exhibit G (BASE RENT SCHEDULE) of the Lease shall be deleted in its entirety and replaced with the "Exhibit G" (BASE RENT SCHEDULE), attached hereto and made a part hereof. For purposes thereof, Landlord and Tenant hereby agree that notwithstanding anything contain in the Lease to the contrary, the Base Rent for the Lease Term provided for in this Third Amendment, shall be calculated on a gross basis and shall include all utilities, building services, operating expenses (excluding Real Estate Taxes, as defined in the Lease), exterior grounds maintenance, management fees and any other charges which were formerly passed through as Building Operating Costs for the Premises, Building and Land, and no additional amounts shall be due from Tenant to Landlord for the same. It is hereby agreed that the "stepped" Base Rental Rate provided in Exhibit G accounts for such costs and charges.

6. **ESCALATION.**

A. As of the date of this Third Amendment (notwithstanding the Effective Date thereof to the contrary), Landlord and Tenant hereby agree that Subsection A (OPERATING COST ESCALATION) of Section 3.02 (ESCALATION) shall be deleted from the Lease in its entirety and shall be of no further force or effect. Accordingly, any references in the Lease to "Building Operating Costs" or "Operating Cost Escalation", and other related matters shall be of no force and effect and shall be deemed not applicable to the terms of the Lease. However, with respect to those certain payment and reimbursement obligations of Landlord and Tenant, under such Section 3.02(A) of the Lease, which remain outstanding and presently in dispute for the period of July 1, 1999 – June 30, 2004, Landlord and Tenant hereby agree that Tenant shall owe to Landlord a total amount of **\$17,978.04** (the "Agreed Upon Reconciliation"), to be paid to Landlord in two (2) separate payments. The first payment shall be in the amount of **\$11,231.50** and shall be made by Tenant to Landlord on or before January 1, 2004; and the second payment shall be in the amount of **\$6,746.54**, and shall be made by Tenant to Landlord on or before June 30, 2004. Landlord and Tenant hereby agree that the Agreed Upon Reconciliation shall resolve all disputes between the parties with respect to Building Operating Costs and/or Operating Cost Escalation for the period of July 1, 1999 – June 30, 2004, and no further amounts shall be due, owing or claimed against either party with respect to the same for that period of time and each party hereby releases and forever discharges the other, and their employees, subsidiaries, affiliates and parent, from any and all actions, causes of action, claims and demands whatsoever, which heretofore has been or which may hereafter be sustained by a party with respect to the Building Operating Costs, Operating Cost Escalation or the Agreed Upon Reconciliation.

B. Notwithstanding the foregoing to the contrary, Section 3.02(B) of the Lease shall remain in full force and effect for the Lease Term provided for in this Third Amendment, and as of the Effective Date, shall be amended such that the Base Tax Year, for purposes of Real Estate Tax Escalation, shall mean the "first Tax Year in which the Building no longer carries a tax exempt status, provided that, at such time, the Building is 100% fully assessed and 100% fully taxed, as a 100% fully completed structure." In the event that the Building is not 100% fully assessed and 100% fully taxed, as a 100% fully completed structure as of the first Tax Year in which the Building no longer carries a tax exempt status, the Base Tax Year for Real Estate Tax Escalation purposes shall be adjusted as provided in the seventh (7th) grammatical paragraph of such Section 3.02(B) of the Lease.

7. **REPAIRS AND MAINTENANCE.** Pursuant to the terms of Section 4.02 (REPAIRS AND MAINTENANCE) of the Lease, Landlord is and shall remain responsible for all structural and mechanical repairs and replacements to the Premises, Common Area Facilities and the Building, which includes, without limitation, the Building structure and the roof. Accordingly, Landlord hereby acknowledges that it is presently completing repairs to the roof of the Building and shall complete the same in a good faith and diligent manner.

8. **SERVICES PROVIDED BY LANDLORD.** Section 4.01 (SERVICES PROVIDED BY LANDLORD) shall be amended such that, (i) Within thirty (30) days of the date of this Third Amendment (which shall be dated by the last party to execute the same), notwithstanding the Effective Date of this Third Amendment to the contrary, Landlord shall hire and retain a professional property management company to perform managerial and maintenance services for the Building, as further described in Schedule 1 (PROPERTY MANAGEMENT SCOPE OF SERVICES) (the "Scope of Services"), attached hereto and made a part hereof, which management company will have expertise in the management of office and commercial buildings with national tenants as occupants. In the event the Building shall be sold or the current Landlord's interest otherwise transferred or assigned, any new owner or successor-in-interest to Landlord must provide the same level of property management services for the Building as described herein, and shall be responsible for the provision of such services to the same extent as set forth in Schedule 1, attached hereto. Without restricting its right to change the management company in the future, Landlord hereby acknowledges that it intends to contract with "Arnot Realty Company, 100 West Church Street, Elmira, New York" to provide the property management services described in this Paragraph 8. In the event of a future change in the management company, the level of services to be provided by a substituted or successor company shall not be less than those set forth in the Scope of Services attached hereto. For purposes hereof, in the event that Landlord does not perform its obligations hereunder with respect to obtaining a property manager for the Building, such shall be deemed a Default by Landlord pursuant to the terms of Section 9.02 of the Lease, and Tenant shall have all rights and remedies provided to Tenant thereunder in such an event; and (ii) As per Section 4.01(C) of the Lease, Landlord is to provide janitorial services, in accordance with the terms of Exhibit E (JANITORIAL SERVICES), attached to the Lease and made a part thereof; however, in addition to Tenant's rights and remedies provided under Section 9.03 (REDUCTION OF SERVICES) of the Lease, commencing as of the Effective Date, in the event that Tenant notifies Landlord four (4) or more times in any sixty (60) day period (hereafter "Tenant's Janitorial Notice") that the janitorial services are not being provided in accordance with the specifications set forth in such Exhibit E of the Lease, and setting forth in such Tenant's Janitorial Notice, in reasonable detail, the nature and extent of the non-performance, then in such event, Tenant shall have the right, if it so elects (but not the obligation), upon sixty (60) days prior written notice to Landlord, to contract independently with a cleaning contractor of Tenant's choice for the cleaning of the Premises. In the event that Tenant elects to exercise this right, then beginning with the effective date of the institution of such services by Tenant, the Base Rental Rate (as provided in Exhibit G of the Lease, attached hereto) for that particular period of time and for each subsequent year thereafter, shall be reduced by \$1.25 per rentable square foot, which is the agreed upon dollar amount with respect to the costs of janitorial services, described herein

9. **PARKING.** As of the Effective Date, Section 4.03 (PARKING) and the parking ratios provided in Subsection N of Section 1.01 (CERTAIN TERMS) of the Lease shall be amended such that Landlord shall provide Tenant with 6.5 parking spaces for every 1,000 square feet of Rentable Area of the Premises, at the Eastowne Parking Garage, for a total of two hundred sixty-five (265) parking spaces; however, such Sections 4.3 and 1.01(N) shall be amended such

that the first 6 parking spaces for every 1,000 square feet of Rentable Area shall be provided to Tenant at no cost or expense, and the balance of the parking spaces, or .5 parking spaces for every 1,000 square feet of Rentable Area of the Premises, shall be provided to Tenant at the cost of \$10.53 per parking space, per month. Accordingly, of the two hundred sixty-five (265) parking spaces, two hundred forty-five (245) parking spaces shall be provided at no additional cost to Tenant, and the balance of the parking spaces (twenty (20)) shall be provided to Tenant at the cost of \$10.53 per parking space, per month. Tenant hereby agrees that the parking spaces provided to Tenant hereunder are for the use by Tenant and its employees and invitees only, and Tenant will not sell, assign or transfer the right to use all or any of the parking spaces to any other person or entity, except pursuant to a sublease of all or a portion of the Premises, or an assignment of the Lease, as provided for by the terms of the Lease, or to a successor to Tenant by way of merger, consolidation, corporate reorganization or the purchase of all or substantially all of the assets or stock of Tenant.

In addition, Landlord hereby agrees that, in order to accommodate oversized vehicles of Tenant's employees, which are unable to be parked on the second and third floors of the Eastowne Parking Garage, Landlord will permit the parking of said vehicles on the ground level parking area of the garage. At no time shall the number of first floor parking spaces for Tenant's employees exceed fifteen (15) spaces. Tenant will furnish to Landlord a list containing the names of its employees' who have such oversized vehicles and their license plate numbers. Tenant shall periodically furnish a revised list to Landlord, when revisions are required. No parking spaces in the ground level area will be available to Tenant's employees for any vehicle other than a vehicle which because of its size cannot access the second and third floor parking areas. The first floor spaces, if any, constitute a portion of the total parking spaces required by this paragraph.

10. **SURRENDER OF SPACE OPTION.** Section 5.04 (SURRENDER OF SPACE OPTION) of the Lease shall hereby be ratified and confirmed, and therefore Tenant shall have the option, at any time after the end of the third year of the Lease Term provided for herein, upon providing Landlord with six (6) months prior written notice, to surrender **up to** one hundred percent (100%) of Tenant's then existing Rentable Area of the Premises (the "Surrender of Space Option"). Furthermore, in restating and amending the terms and conditions provided in such Section 5.04, Tenant's notice to Landlord shall specify the Surrender Date (as described therein) and that certain portion of the Premises which Tenant shall be surrendering in the event that it does not consist of the entire Premises (the "Surrender Space"). In the event that Tenant is surrendering only a portion of the Premises, the portion of the Premises which is being surrendered shall be of a reasonably leasable configuration, and accessible to another tenant. Any costs in order to demise the Surrender Space in order to render it leasable and accessible to another tenant shall be at the sole cost and expense of Tenant. As of the Surrender Date, (a) Tenant shall vacate the Surrender Space and return the same to Landlord in the condition required pursuant to Section 10.02 (END OF TERM) of the Lease; (b) the annual Base Rent, and any other sums being paid hereunder, shall be reduced by the same proportion that the rentable area of the Surrender Space bears to the total rentable area of the Premises prior to the surrender; (c) Tenant shall be relieved of any further obligations under the Lease pertaining to the Surrender

Space; and (d) Tenant's right to parking spaces stated in Section 4.03 of the Lease (as amended herein) shall be proportionately reduced.

In the event that Tenant exercises this Surrender of Space Option, Tenant shall pay to Landlord, on or before any Surrender Date, a sum equal to the unamortized Allowance (as described herein) amortized (on a straight-line basis) over the Lease Term described in this Third Amendment, proportionately based upon the remaining Lease Term (the "Surrender Fee").

This Surrender of Space Option for all or a portion of the Premises shall be self-operative and no additional agreement between Landlord and Tenant will be necessary to effectuate such release; provided, however, Landlord and Tenant shall for their mutual convenience, execute an amendment to the Lease within sixty (60) days following Tenant's notice to Landlord exercising this Surrender of Space Option, either terminating the Lease, or stating the reduced Rentable Area of the Premises (if the entire Premises is not surrendered), the annual Base Rent, and the monthly rent installments.

11. **RIGHT OF FIRST OFFER.** Section 5.06 (RIGHT OF FIRST OFFER) of the Lease shall hereby be ratified and confirmed, and shall remain in full force and effect for the Term of the Lease provided for in this Third Amendment, in accordance with the terms set forth therein, except to the extent hereinafter amended (hereafter, the "Right of First Offer"). Accordingly, notwithstanding the terms of Section 5.06 to the contrary, in the event that Tenant acquires Right of First Offer Space, in accordance with the terms of such Section 5.06, Tenant shall receive an Allowance (as described in Paragraph 4 of this Third Amendment) with respect to such Right of First Offer Space on the basis of Two and 13/100 Dollars (\$2.13) per square foot of Rentable Area of the Right of First Offer Space (the "Right of First Offer Space Allowance"), provided that Tenant commences the Capital/Tenant Improvements for such space within ninety (90) days of Landlord delivering possession of the Right of First Offer Space to Tenant. As provided for in Paragraph 4 hereof, Tenant shall be responsible for any Capital/Tenant Improvements with respect to the Right of First Offer Space, and the costs for the same shall be paid by Tenant directly to its contractors; however, Landlord shall then reimburse Tenant for Tenant's costs associated any such Capital/Tenant Improvements for such Right of First Offer Space, up to a maximum amount of the Right of First Offer Space Allowance described above. Landlord shall reimburse Tenant for the same in the form of a monthly rent credit equal to the total amount of the Right of First Offer Space Allowance, divided by the lesser of (i) nine (9) months, or (ii) the actual number of months remaining in the Lease Term provided for by this Third Amendment.

12. **RENEWAL OPTION.** As of the Effective Date, Section 5.07 (RENEWAL OPTION) of the Lease, is hereby ratified and confirmed; however, only with respect to the second Renewal Option provided for therein. Accordingly, Tenant shall have one (1) option to renew the Lease beyond the end of the Lease Term provided for in this Third Amendment, for one (1) additional period of five (5) years, in accordance with the terms and conditions set forth in such Section 5.07.

13. **REQUIREMENTS OF LAW AND ENVIRONMENTAL COMPLIANCE.**

Pursuant to the terms of Section 6.02 (REQUIREMENTS OF LAW AND ENVIRONMENTAL COMPLIANCE), Landlord hereby covenants to Tenant that Landlord has not received any written violation notice or complaint from any federal, state or local government body, on account of a claimed violation or violations of any Laws or Environmental Laws which Landlord is responsible for complying with under such Section 6.02 of the Lease, as such pertain to the Building, the Premises, the Common Area Facilities, or the Land, and to the best of Landlord's knowledge, Landlord remains in compliance of its obligations under such Section 6.02.

Furthermore, such Section 6.02(iv) shall be amended such that, (i) the definition of Hazardous Materials shall also include, without limitation, "any substance that is or contains lead, mercury or any other chemical, substance, material or waste which is now or is hereafter classified or considered to be dangerous, explosive, corrosive, infectious, or radioactive under any Environmental Laws, or Legionnaires Disease, mold or micotoxins. Hazardous Materials shall not include incidental quantities of any otherwise Hazardous Materials which are commonly used in offices, such as copier fluid, typewriter correction fluids and ordinary cleaning solvents, provided that such are at all times used, kept and stored in a manner which complies with all Environmental Laws.

14. **BROKERS.** Pursuant to the terms of Section 1.01(Q) and Section 10.07 (BROKER'S WARRANTY) of the Lease, Landlord and Tenant hereby represent and warrant that they have dealt with no real estate broker in connection with this Third Amendment other than Jones Lang LaSalle Americas, Inc. and Constitution Plaza, Inc. (acting on a co-broker basis with Jones Lang LaSalle Americas, Inc.) (the "Broker"), and that no other broker is entitled to any commission on account of this Third Amendment. For purposes of Section 1.01(Q), the name of the Broker for purposes of this Third Amendment shall be "Jones Lang LaSalle Americas, Inc. with Constitution Plaza, Inc. as its Co-Broker", replacing in its entirety any other broker. It is hereby understood and agreed that, as per the terms of Paragraph 4 (Improvements) of this Third Amendment, Tenant shall pay the commission due to the Broker, in accordance with the terms of such Paragraph 4 hereof.

15. **BINDING EFFECT.** The terms of this Third Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

16. **RATIFICATION.** Except as expressly amended herein, all provisions, covenants and conditions of the Lease are hereby ratified, confirmed and incorporated herein in their entirety by this reference, and the Lease shall remain in full force and effect and the terms of this Third Amendment shall control over any conflicts between the terms of the Lease and the terms of this Third Amendment.

17. **AUTHORITY.** Each person executing this Third Amendment on behalf of

Tenant and Landlord, respectively, hereby covenants, warrants and represents that the Tenant and Landlord named herein are duly qualified to do business in the state which the Building is located; that Tenant and Landlord have full right and authority to enter into this Third Amendment; that each person signing on behalf of Tenant and Landlord respectively are duly authorized to do so; and that no other signatures or approvals are necessary. Upon either party's request, Tenant or Landlord shall provide to the requesting party reasonably satisfactory evidence confirming the foregoing covenants, warranties and representations.

18. **EXHIBITS.** The following exhibits (the "Exhibits") were attached to this Third Amendment and made a part hereof prior to the execution of this Third Amendment:

Exhibit "G"
Schedule 1

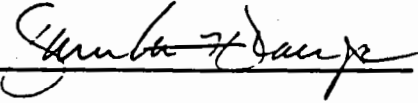
Base Rent Schedule
Property Management Scope of Services

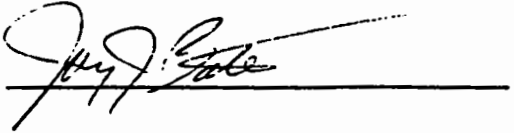
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(Signatures follow on next page.)

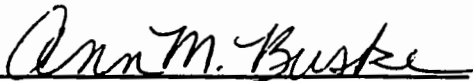
IN WITNESS WHEREOF, Landlord and Tenant have executed this Third Amendment as of the day and year first above written.

WITNESSES:



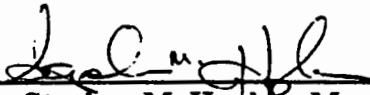






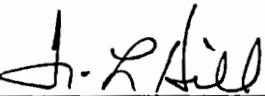
LANDLORD:

THE CITY OF ELMIRA, NEW YORK

By 
Stephen M. Hughes, Mayor
Resolution No. 2003-374

TENANT:

THE TRAVELERS INDEMNITY COMPANY

By 
Title FRANKLIN L. HILL
VICE PRESIDENT

*KMS
11/17/03*

EXHIBIT "G"
BASE RENT SCHEDULE

<u>Period</u>	<u>Rentable Area</u>	<u>Rental Rate (psf)</u>	<u>Monthly Rent</u>	<u>Annual Rent</u>
1/1/2004– 6/30/2004	40,888 sq. ft.	\$14.00	\$47,702.67 - <u>(\$22,868.00) *</u> \$24,834.67	\$298,016.04
7/1/2004 - 6/30/2005	40,888 sq. ft.	\$14.00	\$47,702.67 - <u>(\$22,868.00) *</u> \$24,834.67	\$572,432.00 \$298,016.04
7/1/2005 - 7/31/2005	40,888 sq. ft.	\$14.18	\$48,315.99 - <u>(\$22,868.00) *</u> \$25,447.99	\$305,375.88
8/1/2005 – 6/30/2006	40,888 sq. ft.	\$14.18	\$48,315.99	\$579,791.84
7/1/2006 - 6/30/2007	40,888 sq.ft.	\$14.37	\$48,963.38	\$587,560.56
7/1/2007 - 6/30/2008	40,888 sq.ft.	\$14.56	\$49,610.77	\$595,329.28
7/1/2008 - 6/30/2009	40,888 sq.ft.	\$14.75	\$50,258.17	\$603,098.00

* Tenant is to commence a rent credit for reimbursement of the Allowance as of January 1, 2004, notwithstanding the actual Effective Date of the same. Reimbursement of the Allowance is to continue for 19 months, until Tenant is fully reimbursed for the total amount of the Allowance, which is \$434,486.00.

Schedule 1

Property Management Scope of Services

(See Attached)

Schedule 1

Property Management Scope of Services

The Property Management Company shall perform certain services in order to manage, operate and maintain the Building, tenant premises' and Common Area Facilities (collectively known herein as the "Facility"), in a manner consistent with that used for other similar buildings (i.e. geographic location, use, size, type, age and amenities and services provided) in the Chemung County location. The Property Management Company will assign a key contact person who will become the primary liaison between the tenant and the City. All tenant Facility maintenance requests, questions, and concerns will be addressed by the Property Manager in a timely, professional manner. Such Property Manager shall have a minimum of three years of prior Property Management experience serving corporate tenants.

The Property Management Company will be available to respond to tenant requests during normal office hours. Emergency numbers will be provided to the tenant for after hour emergency needs. The parties agree that the response time for non-emergencies will be no more than 24 hours and the response time for emergencies will be no longer than 2 hours. The process for dealing with emergencies shall be provided to tenant by the Property Management Company.

The Property Management Company will supervise or cause to be made, all ordinary and extraordinary repairs, decorations, cleaning and alterations to the Facility. All maintenance service contracts and required maintenance projects for the Facility shall be in accordance with the guidelines established for the Facility. The Property Management Company shall present recommendations to the owner of the Facility (the City) relative to budget items in a written narrative form.

The Property Management Company will perform monthly Facility inspections and report any problems or concerns to the Owner.

The Property Management Company will consult with the owner of the Facility (the City) and make recommendations relating to short-term and long-term maintenance requirements relating to this Facility. Furthermore, the Property Management Company will engage in a formal Preventive Maintenance program for the Facility.

The Property Management Company will conduct quarterly tenant meetings that will allow for an open dialogue of issues between the tenant and the Property Manager.