

**US GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE

MAY 20, 2010

LEASE NO. **GS-04B-50010**

THIS LEASE, made and entered into this date by and between **Greensboro Office Investment, LLC**

Whose address is
c/o Allegiance Realty Corporation
121 West Trade Street, Suite 2020
Charlotte, NC 28202-5399

and whose interest in the property hereinafter described is that of OWNER

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises:

A total of 85,413 Rentable Square Feet (RSF) of office and related space, consisting of 76,262 ANSI/BOMA Office Area Square Feet (ABOASF) on at The Alamance Building, 4905 Koger Boulevard, Greensboro, North Carolina 27407-2711, as shown on the attached floor plans.

to be used for **SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION**

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term of ten (10) years beginning on the commencement date as determined by the date that space acceptance is made by the Government in accordance with section 5.12 "Construction Schedule and Acceptance of Tenant Improvements" of the SFO, subject to termination and renewal rights as may be hereafter set forth.

3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RATE per RSF¹</u>	<u>RATE per ABOASF²</u>	<u>MONTHLY RATE</u>
07/01/2011 – 6/30/2016	\$1,686,906.75	\$19.75	\$22.12	\$140,575.56
07/01/2016 – 6/30/2021	\$1,387,971.47	\$16.25	\$18.20	\$115,664.29

Note 1. The Government shall not be responsible for shell rent or operating costs for the first six months of the lease, totaling \$626,818.20 of free rent.

Note 2. The rate per rentable square foot (RSF) is determined by dividing the total annual rental by the rentable square footage set forth in Paragraph 1 above.

Note 3. The rate per ABOASF is determined by dividing the total annual rental by the ABOASF set forth in Paragraph 9.

4. The Government may terminate this lease, in whole or in part, at any time on or after the 5th year of the lease, by giving the Lessor at least sixty (60) days notice in writing. No rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the day of mailing.

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

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RATE per RSF</u>	<u>RATE per ABOASF</u>	<u>MONTHLY RATE</u>
DELETED	DELETED	DELETED	DELETED	DELETED

provided notice be given in writing to the Lessor at least ___ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

6. Rental will be based on the rate per ABOASF as noted in Paragraph 3 above. The lease contract and the amount of rent are according to the maximum ABOASF requested in SFO Paragraph 1.1 (Amount and Type of Space). Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Greensboro Office Investment, LLC
c/o Allegiance Realty Corporation
121 West Trade Street, Suite 2020
Charlotte, NC 28202-1161

7. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

- A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers (SFO) No. 9NC2098.
- B. Buildout in accordance with Solicitation for Offers 9NC2098. Design Intent Drawings (DID's) shall be due from the Government within ninety (90) working days subsequent to lease award (in coordination with the tenant agency). All tenant alterations to be completed within one hundred twenty (120) working days from receipt of notice to proceed to construct tenant improvements, which include a written scope of work and finish schedules. Lease term to be effective and rental to begin on date of occupancy as identified in Paragraph 2.
- C. Deviations to the approved Design Intent Drawings reviewed and furnished by the Government to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the Government Contracting Officer.
- D. Lessor shall provide forty-five (45) parking spaces as part of the lease with eighteen (18) of the spaces being reserved for official government vehicles, at no additional cost to the Government.

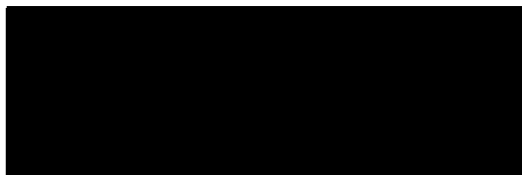
8. The following are attached and made a part hereof:

- A. Solicitation for Offers 9NC2098.
- B. GSA Form 3517B entitled General Clauses (Rev. 06/08).
- C. GSA Form 3518 entitled Representations and Certifications (Rev. 1/07).
- D. Floor Plans, The Alamance Building.

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

LESSOR: **Greensboro Office Investment, LLC**

BY Christopher R. Smith
Authorized Official,



Christopher R. Smith
c/o Allegiance Realty Corporation
121 West Trade Street Ste. 2020
Charlotte NC 28202

(Address)

CRAIG THOMAS, CONTRACTING OFFICER
GENERAL SERVICES ADMINISTRATION

(Official title)

9. The premises described in Paragraph 1 of this Standard Form 2 shall contain 76,262 ABOASF of office and related space, as identified in SFO 9NC2098.
10. The rent rate in Paragraph 3 for the period of five (5) years includes all Tenant Improvements. In accordance with Paragraph 3.2 of SFO 9NC2098, the Tenant Improvement allowance (T/I) provided in the lease is \$28.4067 per ABOASF, or a total of \$2,166,351.76 amortized at an interest rate of 0% over five (5) years at a rate of \$5.68 per ABOASF (\$5.07 per RSF). The T/I will be used to construct the interior space in accordance with the approved Design Intent Drawings provided by the Government. If the entire tenant improvement allowance of \$28.4067 per ABOASF is not used, the Government will adjust the rental rate downward to off-set the difference in the T/I. The Lessor understands, in lieu of Cost and Pricing Data, his contractor or each of his sub-contractors shall solicit three (3) bids for work completed as a part of the initial tenant alterations, e.g., for electrical, plumbing, etc. The lowest responsive bid will be accepted.
11. In accordance with Paragraph 1.12 (Building Shell Requirements) of SFO No. 9NC2098, the shell rate is established as \$11.89 per ABOASF (\$10.62 per RSF, rounded) for years 1-5, totaling \$906,849.40 per annum and as \$13.65 per ABOASF (\$12.19 per RSF) for years 6-10, totaling \$1,041,184.47 per annum.
12. In accordance with Paragraph 4.1 (Measurement of Space) of SFO No. 9NC2098, the common area factor (CAF) is established as 1.1199 or 1.12 (12%), based on 85,413 RSF and 76,262 ABOASF.
13. In accordance with Paragraph 4.2 (Tax Adjustment) of SFO No. 9NC2098, the percentage of Government occupancy is established as 75.437% (based on total building area of 113,224 RSF and the Government's occupancy of approximately 85,413 RSF).
14. In accordance with Paragraphs 4.3 (Operating Costs) of SFO No. 9NC2098, the escalation base is established as \$4.55 per ABOASF (\$4.06 per RSF), totaling \$346,787.00 per annum.
~~\$346,787.00~~ *\$349,931.40* *CRS*
15. In accordance with Paragraph 4.4 (Adjustment for Vacant Premises) of SFO No. 9NC2098, the rental rate reduction is established as \$2.90 per ANSI/BOMA square foot (\$2.59 per RSF), totaling \$221,159.80 per annum.
16. In accordance with Paragraph 4.6 (Overtime Usage) of SFO No. 9NC2098, the hourly overtime usage for the entire space will be provided at \$35.00 per floor per hour.
17. In accordance with Paragraph 9.7 (Radon in Air), a Radon Certification must be furnished within 150 days after award. Any corrective action must be completed within 30 days after tests are completed at no additional cost to the Government. Re-testing is required and results forwarded to the Contracting Officer.
18. Any deviation from approved construction plans or tenant alterations require approval by the Contracting Officer or Contracting Officer's Designee. Should Lessor make changes without approval, the Government will not be responsible for the cost of those changes and Lessor will not be reimbursed.
22. All fire and life-safety deficiencies must be corrected prior to occupancy and at no extra cost to the Government, including but not limited to the following as required by Solicitation for Offers 9NC2098:

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 Lessor Gov't

- A. Provision of emergency illumination in corridors, stairways, and office space.
- B. Provision of exit lights in corridors.
- C. Provision of two (2) exits on each floor occupied by the Government.
- D. Provision of a fire extinguisher near every exit.

23. All handicapped accessibility deficiencies must be corrected prior to occupancy and at no extra cost to the Government, including but not limited to the following as required by Solicitation for Offers 9NC2098:

- A. Door Entrances.
- B. Exit Doors.
- C. Parking Areas/Curb Cuts.
- D. Restrooms.
- E. Width of Exit Doors.

24. In accordance with the SOLICITATION FOR OFFERS 9NC2098, Paragraph 2.7, the Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease. The total amount of the commission is [redacted]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [redacted] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [redacted]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. The [redacted] balance which equates to [redacted] is to be paid to the broker as follows: Fifty percent (50%) is due and payable within 30 days after lease award and the remaining fifty percent (50%) is payable at occupancy.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments, with the exception of the first six (6) month's rent for which the Government shall pay \$0 for shell rent and operating costs (as noted in paragraph 3, Note 1), and continue as indicated in this schedule for adjusted Monthly Rent:

Seventh Month's Rental Payment \$140,575.56 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Seventh Month's Rent.

Eighth Month's Rental Payment \$140,575.56 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Eighth Month's Rent.

INITIALS: CS & CT
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25. Within 5 days of lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be taken care of immediately.

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Lessor Gov't