

U.S. GOVERNMENT LEASE FOR REAL PROPERTY
DUPLICATE ORIGINAL

DATE OF LEASE

9/17/10

LEASE NO.

GS-04B-50100

THIS LEASE, made and entered into this date by and between RIDDLE COMPANIES, INC.

whose address is 238 N. MCPHERSON CHURCH ROAD
FAYETTEVILLE, NC 28303-4495

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 7,653 rentable square feet (RSF) of office and related space, which yields 6,708 ANSI/BOMA Office Area square feet (ABOASF) to be located at 4200 Morganton Road, Fayetteville, North Carolina 28314-1376, along with 7 reserved surface parking spaces, as outlined on the demising plans labeled Exhibit "A" attached hereto and made a part hereof, 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 fifteen (15) years, ten (10) years firm term, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government substantially complete no later than one hundred twenty (120) working days subsequent to receiving the notice to proceed from the Government.

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>PRSF RATE</u> (rounded)	<u>PRSF OASF</u> (rounded)	<u>MONTHLY RATE</u>
10/01/2011 - 09/30/2021	\$154,284.00	\$20.16	\$23.00	\$12,857.00
10/01/2021 - 09/30/2026	\$120,467.03	\$15.74	\$17.96	\$10,038.92

Note 1. The rate per rentable square foot (RSF) is determined by dividing the total annual rent by the rentable square footage set forth in paragraph 1 above. The Base Rate years 1-15 is determined to be \$89,927.03 per annum (\$11.75 per rsf rounded)

Note 2. The rate per BOMA office area square foot (OASF) is determined by dividing the total annual rental by the BOMA office area square footage set forth in Paragraph 1. The Base Rate years 1-15 is determined to be \$89,927.03 per annum (\$13.41 per oasf rounded).

The above annual rent is inclusive of the annual operating rental rate indicated in Paragraph 11 of this lease contract.

3. The rental rate is subject to the Government's measurement of plans submitted by the Lessor or a mutual on-site measurement of the space and will be based on the rate, per BOMA rentable square foot (PRSF) as noted above, in accordance with Clause 23 (PAYMENT), GSA Form 3517, General Clauses. The lease contract and the amount of rent will be adjusted accordingly. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

RIDDLE COMPANIES, INC.
238 N. McPherson Church Road
Fayetteville, NC 28303-4495

LESSOR

NAME OF SIGNER

Joseph P. Riddle, III

Fayetteville, NC 28303

NAME OF SIGNER

Christine A. Rhodes

UNITED STATES OF AMERICA

SIGNATURE

NAME OF SIGNER

Kenneth L. Day

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

AUTHORIZED
Previous edition

4. The DUNS number for leasing entity, is 963140160.
5. The Government may terminate this lease in whole or in part at any time after the tenth (10th) year by giving at least sixty (60) days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
6. The following are attached and made a part hereof:
 - A. SF-2 Portion of the Lease (Page 1-3)
 - B. Solicitation for Offers 8NC2162 dated 2/10/2010; (Pages 1-52)
 - C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) (Pages 1-33)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (Pages 1-7)
 - E. Exhibit A – Base Plans
 - F. Commission Agreement dated May 13, 2010 (Pages 1-3)
7. Lessor shall furnish to the Government, as part of rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers 8NC2162.
 - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas and related facilities ready for occupancy in accordance with the requirements of this lease stated in the Solicitation for Offers 8NC2162 and the design intent drawings.
 - C. Build out shall be in accordance with Solicitation for Offers 8NC2162 and Government approved design intent drawings.
 - D. Deviations to the approved space layouts furnished by the GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
 - E. Lessor shall provide 7 reserved surface parking spaces for Government vehicles at no additional cost to the Government.
8. The rental set forth in Paragraph 2 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$253,834.27 to be amortized through the rent over the firm term of the Lease (120 months) at the rate of 6% (\$4.42 prsf, \$5.04 poasf rounded). In accordance with Solicitation for Offers 8NC2162 Paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
9. In accordance with Solicitation for Offers 8NC2162 Paragraph 4.1.C, *Measurement of Space*, the common area factor is established as 1.141 (6,708 RSF / 7,653 ABOASF).
10. In accordance with Solicitation for Offers 8NC2162 Paragraph 4.2.B.9, *Tax Adjustment*, the percentage of Government occupancy is established as 13.853%.
11. In accordance with Solicitation for Offers 8NC2162 Paragraph 4.3, *Operating Costs*, the escalation base is established as \$30,540.00 per annum (\$3.99 prsf, \$4.55 poasf rounded).
12. In accordance with Solicitation for Offers 8NC2162 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$2.50 per ABOA for vacant space (rental reduction).
13. In accordance with Solicitation for Offers 8NC2162 Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$0 per hour (no cost to the Government) beyond the *Normal Hours* (Solicitation for Offers 8NC2162 Paragraph 4.5) of operation are 24 hours per day, 7 days a week. Areas requiring 24/7 HVAC will be provided at no additional cost to the Government.
14. Cleaning services requiring access to the Government's leased space shall be performed in accordance with Solicitation for Offers 8NC2162 Paragraph 4.8, *Janitorial Services*.
15. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this lease. Wherever there is a conflict between the SF-2 and the Solicitation for Offers 8NC2162, the SF-2 shall take precedence.
16. In accordance with Solicitation for Offers 8NC2162 Paragraph 2.3, *Broker Commission and Commission Credit*, Gwen E. Fogel is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and , Gwen E. Fogel have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.3, only [REDACTED], which is [REDACTED] of the Commission, will be payable to , Gwen E. Fogel when the Lease is awarded. The remaining [REDACTED] of which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing shall be reduced to fully recapture this

Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured.

First month's rental payment of \$12,857.00 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted first month's rent).

Second month's rental payment of \$12,857.00 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).

Third month's rental payment of \$12,857.00 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).

Fourth month's rental payment of \$12,857.00 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted fourth month's rent).

Fifth month's rental payment of \$12,857.00 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted fifth month's rent).

Sixth month's rental payment of \$12,857.00 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted sixth month's rent).