

**LEASE NO. GS-04P-LNC60017**

Succeeding/Superseding Lease  
GSA FORM L202 (October 2012)

This Lease is made and entered into between

**HINES CHARLOTTE CARILLON LP**

(Lessor), whose principal place of business is 227 W TRADE ST, STE 330, CHARLOTTE, NC 28202-1670, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**227 WEST TRADE STREET, CHARLOTTE, NORTH CAROLINA 28202-1675**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

**LEASE TERM**

To Have and To Hold the said Premises with its appurtenances for the term beginning on November 25, 2013 and continuing for a period of

**Ten (10) Years, Five (5) Years Firm,**

subject to termination and renewal rights as may be hereinafter set forth. Occupancy shall be phased with "as-is" acceptance and commencement on November 25, 2013. Following the completion of the improvements required in this Lease, the Firm Term expiration, shall be extended to allow 5 years of amortization that begins at Acceptance of Space, along with any applicable termination rights, and shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

**LESSOR:**

**FOR THE GOVERNMENT:**

Name: Kenneth Jeff

Title: Authorized Agent

Entity: HINES CHARLOTTE CARILLON LP  
a Delaware limited partnership

By: Hines Charlotte Carillon GP LLC  
a Delaware limited liability company,  
its general partner

Date: \_\_\_\_\_

Name: Kenneth

Title: Lease Contracting Officer

Organization: General Services Administration, Public Buildings Service

Date: 3/13/15

**WITNESSED FOR THE LESSOR BY:**

Name: \_\_\_\_\_

Title: Associate

Date: 2-12-15

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

**1.01 THE PREMISES (SUCCEEDING) (JUN 2012)**

Unless otherwise noted, the Government accepts the Premises and tenant improvements in their existing condition, except where specifications or standards are contained elsewhere in this Lease. These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. Such acceptance by the Government of existing Premises shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses.

The Premises are described as follows:

A. **Office and Related Space:** 38,153 rentable square feet (RSF), yielding 33,937 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the 16<sup>th</sup> and 17<sup>th</sup> floor(s) and known as Suite(s) 1650 and 1700, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit B. The Space also includes 244 RSF yielding 222 ABOA of storage space located on the 2<sup>nd</sup> floor of the parking garage.

B. **Common Area Factor:** The Common Area Factor (CAF) is established as 12.423019 percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

**1.02 EXPRESS APPURTENANT RIGHTS (JUN 2012)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41 CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

A. **Parking:** Twelve (12) parking spaces as depicted on the plan attached hereto as Exhibit C, reserved for the exclusive use of the Government, of which all 12 shall be structured/inside parking spaces. In addition, Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property. Any parking that exceeds the requirement for 12 reserved parking spaces shall be separately contracted at the then current parking rate but in no event shall the parking spaces provided to the Government under this Lease plus such additional parking spaces exceed 1.0 parking space per 1,000 RSF.

B. **Antennas, Satellite Dishes, and Related Transmission Devices:** Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease with the prior written consent of Lessor and accompaniment of a Lessor representative.

**1.03 RENT AND OTHER CONSIDERATIONS (SEP 2012)**

A. This Lease contemplates a phased occupancy. From the Lease commencement through the Acceptance of Space for the improvements detailed in Lease Sections 1.17 and 7.02, the Government agrees to pay the annual rent for shell and operating expenses only. Upon Acceptance of Space, the Firm Term shall be extended via a Lease Amendment to include a 5-year amortization period that starts at Acceptance of Space. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, in accordance with the Rent Detail (Exhibit I), which will be modified and finalized via a Lease Amendment at Acceptance of Space.

	YEARS 1-5	YEARS 6-10
	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$843,280.11	\$943,044.89
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$0.00	\$0.00
OPERATING COSTS <sup>3</sup>	\$215,132.00	\$215,132.00
BUILDING SPECIFIC AMORTIZED CAPITAL <sup>4</sup>	\$0.00	\$0.00
PARKING <sup>5</sup>	\$0.00	\$0.00
<b>TOTAL ANNUAL RENT</b>	<b>\$1,058,412.11</b>	<b>\$1,158,176.89</b>

<sup>1</sup>Shell rent calculation: \$22.10 per RSF (Years 1-5) and \$24.72 per RSF (Years 6-10) multiplied by 38,153 RSF

<sup>2</sup>Upon Acceptance of Space, the Tenant Improvement Allowance of \$378,762.68 will be amortized at a rate of 7 percent per annum over 5 years and incorporated into the rent. Refer to Exhibit I.

<sup>3</sup>Operating Costs rent calculation: \$5.64 per RSF multiplied by 38,153 RSF

<sup>4</sup>No Building Specific Amortized Capital (BSAC) was identified for this Lease

<sup>5</sup>Parking costs described under sub-paragraph H below

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 33,937 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. INTENTIONALLY DELETED

D. INTENTIONALLY DELETED

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

H. Included in the shell rent are 12 reserved, structured parking spaces.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. CBRE, INC. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [redacted] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [redacted] of the Commission, will be payable to CBRE, INC. with the remaining [redacted], which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments after Acceptance of Space, to be specified in a subsequent Lease Amendment, and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable. It is anticipated that the credit shall be fully recaptured in 2 months.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence after Acceptance of Space with the first full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month TBD Rental Payment \$95,700.96 minus prorated Commission Credit of [redacted] equals [redacted] adjusted TBD Month's Rent.\*

Month TBD Rental Payment \$95,700.96 minus prorated Commission Credit of [redacted] equals [redacted] adjusted TBD Month's Rent.\*

\*Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 270 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (AUG 2011)

This Lease may be renewed at the option of the Government for a term of [redacted] at the following rental rate(s):

	OPTION TERM, YEARS [redacted]	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	[redacted]	[redacted]
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM YEAR 10 OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor at least 270 days before the end of the original Lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

**1.07 DOCUMENTS INCORPORATED IN THE LEASE (JUN 2012)**

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
LEGAL DESCRIPTION	1	A
FLOOR PLAN(S)	3	B
PARKING PLAN(S)	2	C
SECURITY REQUIREMENTS, LEVEL II	5	D
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	11	F
SMALL BUSINESS SUBCONTRACTING PLAN	7	G
SEISMIC CERTIFICATION FORM	1	H
RENT SCHEDULE	1	I

**1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SUCCEEDING) (SEPT 2011)**

The Government may elect to make lump sum payments for any or all work covered by the Tenant Improvement (TI) scope. That portion of the rental payments attributable to amortization of the TIs shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIs. If the Government elects to make a lump sum payment for the TIs after occupancy, the payment by the Government will result in a decrease in the rent according to the amortization rate over the remaining Firm Term of the Lease.

**1.09 INTENTIONALLY DELETED**

**1.10 INTENTIONALLY DELETED**

**1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **8.20** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **37,909** RSF, which excludes 244 RSF of storage space, by the total Building space of **462,382** RSF.

**1.12 ESTABLISHMENT OF TAX BASE (JUN 2012)**

The Real Estate Tax Base, as defined in the Real Estate Tax Adjustment paragraph of the Lease is **\$1,044,178.85** for the entire building.

**1.13 OPERATING COST BASE (AUG 2011)**

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be **\$5.64** per RSF (\$215,132.00/annum).

**1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)**

In accordance with the paragraph entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$0.53** per ABOA SF of Space vacated by the Government.

**1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)**

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

- **\$45.00** per hour per floor
- Number of floors: **2**

**1.16 24-HOUR HVAC REQUIREMENT (APR 2011)**

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be separately metered. The Lessor shall request reimbursements on a quarterly basis and shall provide statements to confirm the actual usage/expense to the Government. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

**1.17 BUILDING IMPROVEMENTS (SEP 2012)**

The Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

- A. On each of the 16<sup>th</sup> and 17<sup>th</sup> floors, install one (1) unisex, ABAAS compliant restroom.