

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

03/29/2012

LEASE NO.

GS-04B-61006

THIS LEASE, made and entered into this date by and between
PHOENIX LIMITED PARTNERSHIP OF RALEIGH

whose address is

434 FAYETTEVILLE STREET, SUITE 2060
RALEIGH, NC 27601-1701

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 agrees as follows:

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

A total of 10,397 rentable square feet (RSF) of office and related space, which yields 8,963 ANSI/BOMA Office Area square feet (ABOASF) along with two (2) structured reserved parking spaces in BBT/TWO HANNOVER SQUARE located at 434 Fayetteville Street, 7th floor, Raleigh (Wake County), North Carolina 27601-2941 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 term beginning on

May 1, 2012

through

April 30, 2022

, subject to termination

and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$

at the rate of \$

per

in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Paragraph 3 is deleted in its entirety and replaced with Paragraph 9.

4. The Government may terminate this lease at any time by giving at least Deleted 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.

Paragraph 4 is deleted in its entirety and replaced with Paragraph 10

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

Paragraph 5 is deleted in its entirety.

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.

es [Signature]

6. 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 9NC2077.
- 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 9NC2077 and the Design Intent Drawings (DID).
- C. Build out shall be in accordance with Solicitation of Offers 9NC2077 and Government approved Design Intent Drawings (DID).
- 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 two (2) structured reserved parking spaces. The cost of parking to the Government is \$1,100.00 per space, \$2,200.00 per annum (\$.21 per rsf, rounded, \$.245 per oasf rounded), which is inclusive in the annual rental rate of this SF2 for the full term of the lease period 05/01/2012 through 4/30/2022.

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

The General Provisions and Instructions

- A. Continuation of Lease Contract No. GS-04B-61006 (Pages 3-4)
- B. Solicitation for Offers 9NC2077 dated March 3, 2010; (Pages 1-49)
- C. GSA Form 3517 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

8. The following changes were made in this lease prior to its execution:

NONE.

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

LESSOR

SIGNATURE	<i>Phoenix Limited Partnership of Raleigh by: Acquisitions Group LLC, its General Partner BY: [Redacted] VICE President</i>	SIGNATURE	
NAME OF SIGNER	<i>Craig Simonson, Vice President</i>	NAME OF SIGNER	
IN PRESENCE OF		SIGNATURE	
[Redacted]		NAME OF SIGNER	
STATES OF AMERICA		NAME OF SIGNER	ROBERT E. SCOTT
		OFFICIAL TITLE OF SIGNER	CONTRACTING OFFICER

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

<u>TERM</u>	<u>ANNUAL SHELL</u>	<u>ANNUAL OPERATING</u>	<u>ANNUAL TI</u>	<u>ANNUAL PARKING</u>	<u>ANNUAL RENT</u>	<u>PRSF RATE</u>	<u>ABOA RATE</u>	<u>MONTHLY RATE</u>
05/01/2012 - 04/30/2017	\$171,550.50	\$63,523.00	\$70,881.27	\$2200.00	\$308,154.77	\$29.64	\$34.38	\$25,679.56
05/01/2017 - 04/30/2022	\$201,389.89	\$63,523.00		\$2200.00	\$267,112.89	\$25.69	\$29.80	\$22,259.40

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 1-5 is determined to be \$171,550.50 per annum (\$16.50 per rsf); the base rate years 6-10 is determined to be \$201,389.89 per annum (\$19.37 per rsf).

Note 2. The rate per ANSI/BOMA office area square foot (ABOASF) is determined by dividing the total annual rental by the ANSI/BOMA office area square footage set forth in Paragraph 1. The Base Rate years 1-5 is determined to be \$171,550.50 per annum (\$19.14 per ABOA rounded); the base rate years 6-10 is determined to be \$201,389.89 per annum (\$22.47 per ABOA rounded).

10. The Government may terminate this lease in whole or in part at any time on or after May 1, 2017 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.
11. 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 ANSI/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:

PHOENIX LIMITED PARTNERSHIP OF RALEIGH
434 Fayetteville Street, Suite 2060
Raleigh, NC 27601-1701

12. The rental set forth in Paragraph 2 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$305,531.10 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 6% (\$6.82 per rsf rounded; \$7.91 per ABOA rounded). In accordance with Solicitation for Offers 9NC2077 Paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
13. In accordance with Solicitation for Offers 9NC2077 Paragraph 4.1.C, *Measurement of Space*, the common area factor is established as 1.16 (10,397 RSF / 8,963 ABOASF).
14. In accordance with Solicitation for Offers 9NC2077 Paragraph 4.2.B.9, *Tax Adjustment*, the percentage of Government occupancy is established as 2.356%.
15. In accordance with Solicitation for Offers 9NC2077 Paragraph 4.3, *Operating Costs*, the escalation base is established as \$63,523.00 per annum (\$6.11 per rentable square foot per annum rounded; \$7.09 per ABOA square foot per annum rounded).
16. In accordance with Solicitation for Offers 9NC2077 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$1.25 per ABOA for vacant space (rental reduction).

INITIALS U & RL
Lessor Government

