

**US GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE: December 16, 2009
~~November 30, 2009~~

LEASE NO. **LKY50023**

THIS LEASE, made and entered into this date by and between **JDL - Louisville, LLC**
whose address is c/o:

**301 North Main Street
Suite 2300
Winston-Salem, NC 27101**

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 17,420 rentable square feet (RSF), consisting of 16,213 ANSI/BOMA Office Area square feet (OASF) of office and related space and 57 parking spaces, of which 25 shall be reserved for official government use, as shown in the attached drawing and plans, in a building to be constructed at South 7th Street and West Broadway, Louisville, KY 40203.

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 TEN (10) YEAR, SEVEN (7) YEAR FIRM term to begin upon acceptance by the Government which shall be more specifically set forth by SLA, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows: See Page 3. Paragraph 9.

TERM	ANNUAL RENT*	RATE Per RSF ¹	RATE Per OASF	MONTHLY
Years 1 - 7	\$701,050.12	\$40.25	\$43.24	\$58,420.84
Years 8 - 10	\$675,919.97	\$38.80	\$41.69	\$56,326.66

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.

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.

4. The Government may terminate this lease, in whole or in part, at any time on or after the 7th year, 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 POSF</u>	<u>MONTHLY RATE</u>
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~~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. Paragraph Deleted~~

6. Rental is subject to the Government's measurement of plans submitted by the Lessor and/or a mutual on-site measurement of the space and will be based on the rate, per BOMA office area square foot (POASF) as noted in Paragraph 3 above, in accordance with Clause 26 (PAYMENT), GSA form 3517, General Clauses. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum BOMA office area square footage 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:

**JDL – Louisville, LLC
301 North Main Street
Suite 2300
Winston-Salem, NC 27101**

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

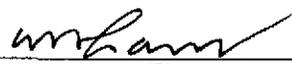
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers (SFO) 7KY2052, as amended with Amendment 1 to SFO 7KY2052. This is a fully serviced lease.
- B. Build-out in accordance with Solicitation for Offers 7KY2052. All tenant alterations to be completed within one hundred eighty (180) working days from receipt of award or receipt of notice to proceed to construct tenant improvements, whichever is later. Lease term to be effective and rental to begin on date of occupancy, and establish by SLA.
- C. Deviations to the approved space layouts furnished by GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer or Representative.
- D. 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.

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

- A. Solicitation for Offers 7KY2052,
- B. Amendment No. 1 to SFO 7KY2052
- C. Special Requirements – [REDACTED] Sub Office Standard [REDACTED]
- D. GSA Form 3517B entitled General Clauses (Rev. 11/05)
- E. GSA Form 3518 entitled Representations and Certification (Rev. 1/07)
- F. Commission Agreement Dated October 24, 2008
- G. Floor Plan

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

LESSOR: **JDL – Louisville, LLC**

BY 
(Signature)

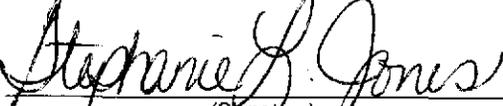
President, JDL Castle Corporation, Manager
(Title)

IN THE PRESENCE OF:

(Signature)

301 N. Main St. Ste. 2300 Winston-Salem NC 27101
(Address)

UNITED STATES OF AMERICA

BY 
(Signature)

STEPHANIE JONES
GENERAL SERVICES ADMINISTRATION
(Official title)

9. The Offerors technical offer are hereby incorporated into the lease and made a part thereof. The Lessor warrants that it shall meet all requirements as set forth in the SFO, its attachments, and amendments. The building constructed shall conform to the proposed plans and information contained in that offer. The Offeror may not change any material or feature proposed in the offer without the prior expressed written consent of the Contracting Officer. In the event that the building delivered does not conform to the Lessor's proposal the Government shall reduce the rental amount by an amount equal to the reduction in value to the Government.

10. In accordance with Paragraph 4.1 (Measurement of Space), the common area factor (CAF) is established as 1.07.

11. In accordance with Paragraph 4.3 (Operating Costs), the escalation base is established as \$6.97 per rentable square foot (\$121,417.40).

12. In accordance with Paragraph 4.2 (Tax Adjustment), the percentage of Government occupancy is established as 100%. *PROPERTY TAX ANNUAL EXPENSE BASE FOR ADJUSTMENT IS ESTABLISHED AS \$22,000.00 PER YEAR.* *URS/STP*

13. The Adjustment for Vacant Premises shall be \$1.92.

14. The rate for HVAC overtime usage is \$27.00 per hour. The charge for areas requiring 24-hour HVAC service is \$2.04 per hour.

15. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government no later than 12 months from the lease award date. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for 10 consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

16. Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 4.2 of the lease, "ANSI/BOMA Office Area Square Feet" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

<u>Year</u>	<u>Shell Rental</u>	<u>Ti</u>	<u>Building Specific Security</u>	<u>Op Cost (in lease):</u>	<u>Total (ABOA) sf</u>	<u>Annual</u>
1	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
2	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
3	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
4	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
5	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
6	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
7	\$28.34	\$6.63	\$.78	\$7.49	\$43.24	\$701,050.12
8	\$34.20	\$0	\$0	\$7.49	\$41.69	\$675,919.97
9	\$34.20	\$0	\$0	\$7.49	\$41.69	\$675,919.97
10	\$34.20	\$0	\$0	\$7.49	\$41.69	\$675,919.97

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$593,557.93, which is included in the rent, using the 7% amortization rate over the lease firm term of 7 years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 7% amortization rate.

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

17. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so desired. In the event such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right of restoration waived.

18. In accordance with the SOLICITATION FOR OFFERS 7KY2052, Paragraph 2.4, 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 and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$58,420.84 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$58,420.84 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.


LESSOR'S SIGNATURE


GOVERNMENT'S SIGNATURE