

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE:

LEASE NO:GS-O4B-50050

THIS LEASE, made and entered into this date by and between Rubicon Park I, LLC

Whose address is: 188 E. Capitol Street Suite 1000
Jackson, MS 39201-2100

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 6,325 Rentable Square Feet (RSF) of office and related space (5,500 ANSI/BOMA Office Area Square Feet (ABOASF) at 2233 Lake Park Drive, Smyrna, Georgia 30080. Thirty-Three (33) on-site parking spaces are to be provided at no extra cost to the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the ten (10) years, five (5) years firm, 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 twenty (120) working days subsequent to the Government's issuance of a notice to proceed with construction.

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

| TERM | Annual Rent | PRSF RATE | MONTHLY RATE |
|---------------|--------------|-----------|--------------|
| Months 1-60 | \$125,614.50 | \$19.86 | \$10,467.87 |
| Months 61-120 | \$92,823.50 | \$14.67 | \$7,735.29 |

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

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 feet (PRSF) as noted above, in accordance with Clause 27 (PAYMENT), GSA Form 3517B, 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:

Rubicon Park I, LLC

By: Parkway Properties LP, its Member

By: Parkway Properties General Partners, Inc.

its General Partner

Rubicon Park I, LLC
Lakewood II
P.O Box 534312
Atlanta, GA 30353-4312

4. The DUNS number for leasing entity is 179258657.

5. The Government may terminate this lease in whole or in part at any time after the firm term 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.

Richard Hickson

Executive Vice President &
Chief Financial Officer

Signature:

LESSOR

Signature:

Name of Signer: R. Christopher Breedon, Vice President

ADDRESS

In the Presence of (Signature)

Name of Signer

UNITED STATES OF AMERICA

Signature:

Name of Signer

OFFICIAL TITLE OF SIGNER: Contracting Officer

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PRESCRIBED BY GSA - FPR (41 CFR) 1-16.60

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6. The Following are attached and made a part hereof:
- SF-2 Portion of the Lease (Page 1-3)
 - Solicitation for Offers 9GA2144 dated 2/12/2010 (Pages 1-44)
 - GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) (Pages 1-2)
 - GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (Pages 1-7)
 - Floor Plan entitled GSA SFO 9GA2144
7. Lessor shall furnish to the Government, as part of rental consideration, the following:
- Those facilities, services, utilities, and maintenance in accordance with Solicitation for Offers 9GA2144.
 - 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 Solicitation for Offers 9GA2144 and the Government approved design intent drawings.
 - Build out shall be in accordance with Solicitation for Offers 9GA2144 and Government approved design intent drawings.
 - 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.
8. The rental set forth in Paragraph 2 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$163,955.00 to be amortized through the rent over the firm term of the Lease (60 Months) at the rate of 0.0%. Pursuant to this calculation, the portion of the annual rent amortized as annual tenant improvement rental is \$32,791.00 per annum or \$2,732.58 per month. In accordance with Solicitation for Offers 9GA2144 paragraph 3.2, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly. The Lessor understands, in lieu of Cost and Pricing Data, his contractor or each of his sub-contractors shall solicit a minimum of two (2) 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.
9. In accordance with Solicitation for Offers 9GA2144 paragraph 4.1 C, *Measurement of Space*, the common area factor is established as 1.15 (6,325 RSF / 5,500 USF).
10. In accordance with Solicitation for Offers 9GA2144 paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 4.87%. (based on total building area of 129,878 RSF and the Government's occupancy of approximately 6,325 RSF). Percentage of occupancy is subject to revision based on actual measurement of Government occupied space at time of final inspection, not to exceed the maximum ABOASF stated in the SFO, and in accordance with GSA Form 3517B, GENERAL CLAUSES.
11. In accordance with Solicitation for Offers 9GA2144 paragraph 4.3, *Operating Costs*, the escalation base is established as \$3.98 per rentable square foot per annum.
12. In accordance with Solicitation for Offers 9GA2144 paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$3.28 per ABOA for vacant space.
13. In accordance with Solicitation for Offers 9GA2144 paragraph 4.6, *Overtime Usage*, the rate of overtime usage is established as \$35.00 per hour beyond the *Normal Hours* (Solicitation for Offers 9GA2144 paragraph 4.5) of operation of 6:00 AM to 5:00 PM. Areas requiring 24/7 HVAC will be provided at no additional cost to the Government.
14. [REDACTED] shall be provided by the Lessor in accordance with Solicitation for Offers 9GA2144 paragraph 10.14 [REDACTED]. This cost is included in the shell rate.

INITIALS:  LESSOR &  GOV'T

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15. Within five (5) days after 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 rectified immediately.
16. Accordance with SFO No. In 9GA2144, 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: The Lessor agrees to pay the commission less the Commission Credit to the Broker in accordance to Paragraph 2.4, "Broker Commission and Commission Credit," [REDACTED] of the commission shall be due upon execution of the Lease, and the remaining [REDACTED] shall be due 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 of \$10,467.86 minus the prorated Commission Credit of [REDACTED] equals the adjusted First Month's Rent of [REDACTED].

Second Month's Rental Payment of \$10,467.86 minus the prorated Commission Credit of [REDACTED] equals the adjusted Second Month's Rent of [REDACTED].

Third Month's Rental Payment of \$10,467.86 minus the prorated Commission Credit of [REDACTED] equals the adjusted Third Month's Rent of [REDACTED].

INITIALS:  LESSOR &  GOVT

STANDARD FORM 2 (REV. 12/2006) CONTINUATION