

U.S. GOVERNMENT LEASE FOR REAL PROPERTY
DUPLICATE ORIGINAL

DATE OF LEASE

April 1, 2010

LEASE NO.

GS-04B-50062

THIS LEASE, made and entered into this date by and between **HIGHWOODS REALTY LIMITED PARTNERSHIP**

whose address is 3100 SMOKETREE COURT, SUITE 600
RALEIGH, NC 27604-1050

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 5,565 rentable square feet (RSF) of office and related space, which yields 4,904 ANSI/BOMA Office Area square feet (ABOASF) and 8 reserved structured parking spaces located at Highwoods Tower One, 3200 Beechleaf Court, Suite 810 and Suite 102A, Raleigh, North Carolina 27604-1050 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 ten (10) year 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 (100) 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>	<u>MONTHLY RATE</u>
12/01/2010 - 11/30/2020	\$136,901.00	\$24.60	\$11,408.42

The above annual rent is inclusive of the annual operating rental rate indicated in Paragraph 10 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:

HIGHWOODS REALTY LIMITED PARTNERSHIP
3100 Smoketree Court, Suite 600
Raleigh, NC 27604-1050

4. The DUNS number for leasing entity, is 808264290.

LESSOR

SIGNATURE HIGHWOODS REALTY LIMITED PARTNERSHIP

Thomas S. Hill, III

NAME OF SIGNER

Thomas S. Hill, III

ADDRESS 3100 Smoketree Court, Suite 600
Raleigh, NC 27604

IN THE PRESENCE OF (SIGNATURE)

J. C. Doggett

NAME OF SIGNER

Jane C. Doggett

UNITED STATES OF AMERICA

SIGNATURE

Wanda P. Hardiman

NAME OF SIGNER

WANDA HARDIMAN

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

5. The following are attached and made a part hereof:
- A. SF-2 Portion of the Lease (Page 1-3)
 - B. Solicitation for Offers 7NC2117 dated December 10, 2009; (Pages 1-56)
 - 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
 - F. Commission Agreement dated December 21, 2009 (Pages 1-3)
 - G. *GSA Form 1364 entitled Proposal to Lease space dated March 19, 2010* WELT TSN
6. 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 7NC2117.
 - 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 7NC2117 and the design intent drawings.
 - C. Build out shall be in accordance with Solicitation of Offers 7NC2117 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.
7. The rental set forth in Paragraph 2 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$139,306.46 to be amortized through the rent over the firm term of the Lease (120 months) at the rate of 6.25%. In accordance with Solicitation for Offers 7NC2117 Paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
8. In accordance with Solicitation for Offers 7NC2117 Paragraph 4.1.C, *Measurement of Space*, the common area factor is established as 1.13479 (5,565 RSF / 4,904 ABOASF).
9. In accordance with Solicitation for Offers 7NC2117 Paragraph 4.2.B.9, *Tax Adjustment*, the percentage of Government occupancy is established as 2.999%.
10. In accordance with Solicitation for Offers 7NC2117 Paragraph 4.3, *Operating Costs*, the escalation base is established as \$4.31 per rentable square foot per annum.
11. In accordance with Solicitation for Offers 7NC2117 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$2.00 per ABOA for vacant space (rental reduction).
12. In accordance with Solicitation for Offers 7NC2117 Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$35.00 per hour per space beyond the *Normal Hours* (Solicitation for Offers 7NC2117 Paragraph 4.5) of operation of 6:30 AM to 6:30 PM. Areas requiring 24/7 HVAC will be provided at no additional cost to the Government.
13. Cleaning services requiring access to the Government's leased space shall be performed in accordance with Solicitation for Offers 7NC2117 Paragraph 4.9, *Janitorial Services*.
14. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implies, shall be admissible to contradict the provisions of this lease. Wherever there is a conflict between the SF-2 and the Solicitation for Offers 7NC2117, the SF-2 shall take precedence.
15. In accordance with Solicitation for Offers 7NC2117 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] percent 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 2.4, only [REDACTED] which is [REDACTED] of the Commission, will be payable to , Gwen E. Fogel when the Lease is awarded. The remaining [REDACTED] 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 \$11,408.42 minus the prorated commission credit of \$ [REDACTED] equals [REDACTED]
(adjusted first month's rent).

Second month's rental payment of \$11,408.42 minus the prorated commission credit of \$ [REDACTED] equals [REDACTED]
(adjusted second month's rent).

Third month's rental payment of \$11,408.42 minus the prorated commission credit of \$ [REDACTED] equals [REDACTED]
(adjusted third month's rent).

Fourth month's rental payment of \$11,408.42 minus the prorated commission credit of \$ [REDACTED] equals [REDACTED]
(adjusted fourth month's rent).

Fifth month's rental payment of \$11,408.42 minus the prorated commission credit of \$ [REDACTED] equals [REDACTED]
(adjusted fifth month's rent).

16. **EXERCISE ROOM:** As a part of the 5,565 rentable square feet in Paragraph 1 of the Lease Contract, the Lessor hereby agrees to lease 417 rentable square feet to the Government to be identified as Suite 102A and described as the Exercise Room. Build-out of the Exercise Room will be according to Shell and Tenant Improvement per SFO#7NC2117 and Agency design drawings. In the event, the Agency requires supplemental HVAC, the Agency will be responsible for any additional electrical operating expenses. In the event a supplemental HVAC unit needs to be installed, a separate electrical meter will be furnished by Lessor to monitor electrical operating expenses. The Lessor agrees to perform the work at a fair and reasonable cost with no mark up for profit.