

LEASE NO. GS-04P-LNC00160

Global Lease
GSA FORM L100 (09/2015)

This Lease is made and entered into between

SPI Fedlaw Greensboro, LLC

(Lessor), whose principal place of business is 600 Hermitage Rd, Charlotte, NC 28207-1846, 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

101 S. Edgeworth St, Greensboro, NC 27401-6024

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 either upon August 15, 2016, and continuing for a period of

15 Years, 10 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth.

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.

FOR THE LESSOR:

Name: JAMES M. JACOBSON JR

Title: MANAGER

Entity Name: SPI Fedlaw Greensboro, LLC

Date: 8-30-16

FOR THE GOVERNMENT:

Name: Quo Vadis Green

Title: Lease Contracting Officer

General Services Administration, Public Buildings Service

Date: 9/9/16

WITNESSED FOR THE LESSOR BY:

Name: Chelsey Smith

Title: VP, Operations

Date: 8-30-16

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.

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SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.1 THE PREMISES (SEP 2015)

The Premises are described as follows:

A. Office and Related Space: 107,441 rentable square feet (RSF), yielding 94,723 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space, as depicted on the floor plan(s) attached hereto as Exhibit A.

SPACE BREAKDOWN

The space breakdown reflecting the space allocations to each Government tenant will be established in a supplemental lease amendment.

B. Common Area Factor: The Common Area Factor (CAF) is established as 1.134265173. 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.

C. Unless otherwise noted, the Government accepts the Shell and tenant improvements in their current configuration and existing condition, except that the Lessor shall comply with 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 Space shall not relieve Lessor of continuing obligations for cleaning, janitorial, maintenance, repair, etc. as set forth in the Lease paragraphs and attached General Clauses. Any changes to the current configuration and existing condition, changes to security or green building requirements for the Existing Space, except as required in this Section, will be at the expense of the Government.

1.2 EXPRESS APPURTENANT RIGHTS (SEP 2013)

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: 92 parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, of which 74 shall be structured/inside parking spaces, and 18 shall be surface/outside parking spaces.

B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.3 RENT AND OTHER CONSIDERATION (SEP 2015)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM AUG 15, 2016 – AUG 14, 2017	RENT ABATEMENT WITHIN FIRM TERM AUG 15, 2017 – NOV 14, 2017	FIRM TERM (REMAINDER) NOV 15, 2017 – AUG 14, 2026	NON FIRM TERM AUG 15, 2026 – AUG 14, 2031
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT	\$2,369,074.05	\$0.00	\$2,369,074.05	\$2,654,867.11
TENANT IMPROVEMENTS RENT ²	\$ TBD	\$ TBD	\$ TBD	\$0.00
TENANT IMPROVEMENT CREDIT ³	\$ TBD	\$ TBD	\$ TBD	\$0.00
OPERATING COSTS ⁴	\$561,916.43	\$0.00	\$561,916.43	\$561,916.43
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁵	\$ TBD	\$ TBD	\$ TBD	\$0.00
PARKING ⁶	\$0.00	\$0.00	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$2,930,990.48	\$ TBD	\$2,930,990.48	\$3,216,783.54

¹ Shell rent calculation:

(Firm Term) \$22.05 per RSF multiplied by 107,441 RSF

(Non Firm Term) \$24.71 per RSF multiplied by 107,441 RSF. The \$2.67 per RSF increase in Year 11 is in addition to, and not in lieu of, accrued adjustments for operating expense during years 1 through 10 and operating expense and real estate tax adjustments in Year 11 and beyond.

² Tenant Improvements of \$4,074,102.36 will be amortized pursuant to the terms in paragraph 1.08 below. Payments for Tenant Improvements will begin upon acceptance of the work and will be paid in accordance with the Tenant Improvement Rental Adjustment paragraph herein.

³ A tenant improvement concession of \$489,404.95 (\$48,940.50 per year) will be applied to the Lease when the Tenant Improvements are accepted and is separate from the Tenant Improvement rent that will be amortized.

⁴ Operating Costs rent calculation: \$5.23 per RSF multiplied by 107,441 RSF

⁵ Building Specific Amortized Capital (BSAC) of \$150,239.00 will be amortized at a rate of 0 percent per annum over the remainder of the firm term. Payment for Building Specific Amortized Capital will begin upon acceptance of the work and will be paid in accordance with the Building Specific Amortized Capital Rental Adjustment paragraph herein.

⁶ Parking costs described in paragraph 1.02A above.

⁷ The Total Annual Rent reflects \$27.28 per RSF multiplied by 107,441 RSF during the firm term with the exception of the rent abatement within the firm term.

B. Intentionally deleted

C. Intentionally deleted

D. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties.

E. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties.

F. 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.

G. 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 by the Lessor in the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered and active in SAM.

H. 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 (within the TI and BSAC limitations established above) 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.

I. Intentionally deleted

J. Intentionally deleted

1.4 ~~BROKER-COMMISSION-AND-COMMISSION-CREDIT (SEP-2016)-INTENTIONALLY DELETED~~

1.5 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 120 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.

The Government may terminate 3,978 ABOA sf of space on the first floor according to the space identified on Exhibit A upon acceptance of Tenant Improvements. Four (4) parking spaces shall be released on the upper level of the parking facility along with the space on the first floor.

1.6 RENEWAL RIGHTS (SEP 2013)-INTENTIONALLY DELETED

1.7 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2015)

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

DOCUMENT NAME	EXHIBIT
FLOOR PLAN(S)	A
PARKING PLAN(S)	B
AGENCY REQUIREMENTS	C
SECURITY REQUIREMENTS	D
SECURITY UNIT PRICE LIST	E
GSA FORM 3517B GENERAL CLAUSES	F
GSA FORM 3518-SAM, ADDENDUM TO SYSTEM FOR AWARD MANAGEMENT (SAM) REPRESENTATIONS AND CERTIFICATIONS (ACQUISITIONS OF LEASEHOLD INTERESTS IN REAL PROPERTY)	G

1.8 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)

A. The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$4,074,102.36. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. The amount of TIA to be amortized in the rent over the Firm Term of this Lease will be determined upon acceptance of the improvements by the Government. The first \$2,517,484.80 will be amortized at an annual interest rate of 0 percent. Any remaining TIA up to the total of \$4,074,102.36 will be amortized at an annual interest rate of 8 percent.

B. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.

C. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent 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 TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

D. If it is anticipated that the Government will spend more than the allowance identified above, the Government may elect to:

1. Reduce the TI requirements;
2. Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
3. Negotiate an increase in the rent.

1.9 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES (\$ PER ABOA SF OR % OF TI AND BSAC CONSTRUCTION COSTS)	10%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI AND BSAC CONSTRUCTION COSTS)	5%

1.10 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is \$150,239.00. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over the Firm Term of this lease at an annual interest rate of 0 percent.

1.11 BUILDING SPECIFIC AMORTIZED CAPITAL RENTAL ADJUSTMENT (SEP 2013)

A. The Government, at its sole discretion, shall make all decisions about the use of the Building Specific Amortized Capital (BSAC). The Government may use all or part of the BSAC. The Government shall increase the rent to reflect the portion of BSAC used (where applicable) according to the agreed-upon amortization rate over the remainder of the Firm Term.

B. The Government may elect to make lump-sum payments for any work covered by the BSAC. The part of the BSAC amortized in the rent 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 a lump sum for any part or all of the remaining unpaid amortized balance of the BSAC. If the Government elects to make a lump-sum payment for the BSAC after occupancy, the payment of the BSAC by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.

C. If it is anticipated that the Government will spend more than the BSAC identified above, the Government may elect to:

1. Reduce the security countermeasure requirements;
2. Pay a lump sum for the amount overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph; or
3. Negotiate an increase in the rent.

1.12 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 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 104,733 RSF by the total Building space of 104,733 RSF.

1.13 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$2.41 per rsf or \$252,788.49. Tax adjustments shall not occur until the tax year following lease commencement has passed.

1.14 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$5.23 per RSF (\$561,916.43/annum).

1.15 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

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 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 \$1.50 per ABOA SF of Space vacated by the Government.

1.16 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

- \$45.00 per floor

1.17 ~~24-HOUR HVAC REQUIREMENT (SEP 2014)~~ INTENTIONALLY DELETED

1.18 ~~BUILDING IMPROVEMENTS (SEP 2012)~~ INTENTIONALLY DELETED

1.19 ~~HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)~~ INTENTIONALLY DELETED