

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

October 15, 2010

LEASE NO.

GS-04B-50107

THIS LEASE, made and entered into this date by and between **SafeGen II LLC**,

whose address is 1308 Lennoxville Rd.
Beaufort, North Carolina 28516-9020

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 3,672 rentable square feet (RSF) of office and related space, which yields 3,060 ANSI/BOMA Office Area square feet (ABOASF) to be located in the, at 200 Williamsburg Parkway, Jacksonville, North Carolina 28546-6762 as outlined on the demising plans labeled Exhibit "A" attached hereto and made a part hereof, together with five (5) surface parking spaces located on-site of the leased location 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) years, five (5) years 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 twenty (120) 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>
02/04/11-02/03/15	\$96,074.21	\$26.16	\$8006.18
02/04/15-02/03/20	\$67,946.69	\$18.50	\$5,662.22

The above annual rent is inclusive of the annual operating rental rate indicated in Paragraph 4.3 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:

SafeGen II, LLC
1308 Lennoxville Rd.
Beaufort, North Carolina 28516-9020

4. The DUNS number for leasing entity, is 962265299

LESSOR

NAME OF SIGNER Leonard Y. Safrit Jr.

msr

NAME OF SIGNER

Paula S. Sadler

UNITED STATES OF AMERICA

NAME OF SIGNER

Wanda Hardiman

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

5. The Government may terminate this lease in whole or in part at any time after the fifth (5th) year by giving at least 120 (120) 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.
6. The following are attached and made a part hereof:
 - A. SF-2 Portion of the Lease (Page 1-2)
 - B. Solicitation for Offers 8NC2014 dated March 16, 2010; (Pages 1-48)
 - C. Office of Probation Special Requirements (Pages 10/21 – 10/26 and Pages 1 – 5)
 - D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05) (Pages 1-33)
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (Pages 1-7)
 - F. Exhibit A – Base Plans
7. 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 8NC2014.
 - 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 8NC2014 and the design intent drawings.
 - C. Build out shall be in accordance with Solicitation of Offers 8NC2014 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.
 - E. Lessor shall provide a minimum of 5 surfaced parking spaces at no additional cost to the Government in accordance with Solicitation for Offers 8NC2014.
8. The rental set forth in Paragraph 2 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$121,359.60 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 5.95%. In accordance with Solicitation for Offers 8NC2014 Paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
9. In accordance with Solicitation for Offers 8NC2014 Paragraph 4.1.C, *Measurement of Space*, the common area factor is established as 1.20 (3,672 RSF / 3,060 ABOASF).
10. In accordance with Solicitation for Offers 8NC2014 Paragraph 4.2.B.9, *Tax Adjustment*, the percentage of Government occupancy is established as 30.60%.
11. In accordance with Solicitation for Offers 8NC2014 Paragraph 4.3, *Operating Costs*, the escalation base is established as \$6.78 per rentable square foot per annum.
12. In accordance with Solicitation for Offers 8NC2014 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$6.05 per ABOA for vacant space (rental reduction).
13. In accordance with Solicitation for Offers 8NC2014 Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$3.50 per hour beyond the *Normal Hours* (Solicitation for Offers 8NC2014 Paragraph 4.5) of operation of 7:00 AM to 5:00 PM. Areas requiring 24/7 HVAC will be provided at no additional cost to the Government.
14. Cleaning services requiring access to the Government's leased space shall be performed in accordance with Solicitation for Offers 8NC2014 Paragraph 4.8, *Janitorial Services*.
15. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this lease. Wherever there is a conflict between the SF-2 and the Solicitation for Offers 8NC2014, the SF-2 shall take precedence.
16. Window glazing shall be provided by the Lessor in accordance with Solicitation for Offers 8NC2014 Paragraph 10.18, [REDACTED] *Requirements*. The cost is included in the shell rate.

INITIALS  LESSOR &  GOV'T