

US GOVERNMENT  
LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-04B-59146

THIS LEASE, made and entered into this date by and between Highwoods Development B, LLC

whose address is

3100 Smoketree Court, Suite 600  
Raleigh, NC 27604

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:

152,911 ANSI/BOMA Office Area (ABOA) Square Feet (171,460 Rentable Square Feet) of office and related space to be constructed on LOT 4, containing 11.61 acres located on the SE Corner of Microsoft Way and Slaughter Road, Charlotte, NC, together with 213 surface parking spaces (15 parking spaces included for visitors) and a parking garage with 327 structured (160 secured structured included in parking garage) parking spaces."

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the FIFTEEN (15) YEAR FIRM term to begin upon substantial completion as defined in Section 1.20 of SFO No. PNC-010CH06."

"3. 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>
Years 1 - 15	\$6,385,170.40	\$37.24	\$532,097.53

The above annual rent is inclusive of the annual operating rental rate indicated in Paragraph 7 of this lease contract."

"4. Rental 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 in Paragraph 3 above, in accordance with Clause 27 (PAYMENT), GSA Form 3517B, General Clauses. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum ABOA usable square footage required in SFO Paragraph 1.5 (Amount and Type of Space) and Amendment No. 1. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Highwoods Development B, LLC  
3100 Smoketree Court, suite 600  
Raleigh, NC 27604"

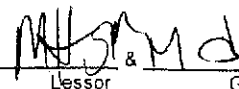
"5. The DUNS number for Highwoods Development B, LLC is 80-909-0694."

"6. Upon occupancy, the Government shall make a one-time lump sum payment in the amount of \$3,451,299.00 to the Lessor. This amount represents the cost that exceeds the Congressionally-imposed rent limitation of \$37.24 per annum stated in SFO Paragraph 1.5 (h), "Amount And Type of Space". Said payment shall not in any event become due prior to substantial completion as defined in Section 1.20 of SFO No. PNC-010CH06."

"7. For the purpose of the operating cost escalation, in accordance with Solicitation For Offers PNC-01-CH06, Paragraphs 4.6 and 4.7 of this lease agreement, the annual base cost of services is \$896,735.80 or \$5.23 per rentable square foot."

"8. For the purpose of the Real Estate Tax Adjustment, in accordance with Solicitation For Offers PNC-01-CH06, Paragraph 4.4 of this lease agreement, the base year tax amount is \$596,269.00 (\$3.48 RSF) and the Government will occupy 100% of the rentable square feet of the building. (Based on Government occupancy of 171,460 Rentable/152,911 Usable square feet) 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 BOMA usable square footage stated in the SFO, and in accordance with the GSA Form 3517B, GENERAL CLAUSES."

INITIALS:

  
Lessor Gov't

- "9. 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) PNC-01-CH06 and Program of Requirements (POR).
  - 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 SFO PNC-01-CH06, POR and the Government's space layout drawings.
  - C. Build out in accordance with SFO PNC-01-CH06, POR. The entire office building, annex and parking structure must be ready for occupancy by May 20, 2011, or the lease effective date identified under Paragraph 2 of Lease Contract GS-04-59146 whichever is later. Lease term to be effective upon substantial completion as defined in Section 1.20 of SFO No. PNC-010CH06.
  - 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 160 secured and 15 visitor parking spaces at no additional cost to the Government in accordance with SFO PNC-01-CH06 and POR. "
  - F. All buildings including the parking garage must be fully sprinklered."

- "10. The following are attached and made a part hereof:
- a) Solicitation For Offers PNC-01-CH06 including all attachments pertaining to the site option (pages 1-273)
  - b) [Redacted] Program of Requirements (POR) (pages 1-149)
  - c) GSA form 3517B (rev. 11/05) (pages 1-33)
  - d) GSA form 3518A (rev. 7/04) (pages 1-4)
  - e) GSA Form SF3881 (pages 1-2)
  - f) Prevailing Wages (pages 1-5)
  - g) Unit Price List (pages 1-7)
  - h) Security Unit Price List (pages 1-4)
  - i) Lessor's Technical Offer dated 03/30/09 and Final Proposal Revisions dated 5/27/09 (Submittal 1- Revised Concept Drawings and submittal 2 -Price and Other Required Submittals)."

"11. In accordance with this lease agreement, Solicitation For Offers PNC-01-CH06, Paragraph 4.10 (Common Area Factor), the common area factor (CAF) is established as 12.13% based on 152,911 ABOA square feet and 171,460 rentable square feet."

"12. For the purpose of the Adjustment for Vacant Premises, in accordance with Solicitation For Offers PNC-01-CH06, Paragraph 4.14 of this lease agreement, the reduction in operating costs shall be \$2.00 per ABOA square foot of vacant space."

"13. In accordance with this lease agreement, Solicitation For Offers PNC-01-CH06, Paragraph 3.3 D (13) the Daily Delay Rate for compensable delays to which the Lessor is entitled to after award of the lease is \$15,900."

"14. Heating and cooling "overtime usage" shall be provided in accordance with Solicitation For Offers PNC-01-CH06, Paragraph 8.4 of this lease agreement. The overtime usage charge is established to be \$70.00 per hour per floor. The Overtime Usage rate specified in Solicitation For Offers PNC-01-CH06, Paragraph 13 of this lease agreement shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified in the SFO PNC-01-CH06 and POR."

"15. Due to the discovery of wetland areas identified on the site, the Lessor may be required by one or more regulatory authorities to re-route the loop road and relocate a certain number of parking spaces in the current site plan to accommodate the existence of such wetlands. The Lessor will use its commercially reasonable efforts to have the wetlands removed in accordance with applicable local, state and federal regulatory requirements and to maintain the original plan as proposed in Lessor's Final Proposal Revision dated 05/27/09. In the event that the loop road must be re-routed and parking spaces relocated, the location of the buildings and parking structure footprints will not be affected."

"16. The Offeror will have until July 27, 2009 at 5:00pm (EST) to determine if the current land owner (Arrowpoint Holdings, LLC) can deliver the land with title free and clear of any encumbrances except permitted title exceptions. This lease may only become null and void if the Offeror reasonably determines because of title problems the construction of the project is unfeasible or if the Offeror is unable to obtain Architectural Review Committee (ARC) approval by July 27, 2009 and notifies the Government in writing of such prior to July 27, 2009 at 5:00pm (EST). Failure to timely provide such written notice shall be deemed an acceptance of title. Changes to the design of the exterior building as defined by the Declaration of Restrictive Covenants dated November 13, 1984 "the Declaration" are subject to the review and approval process as stated in the Declaration (See Schedule B, Exception 4)."

Parties hereto have hereunto subscribed their names as of the date first above written.

[Redacted] Development B, LLC  
 [Redacted] - EVP Highwoods Services [Redacted] - Executive Managing Partner  
 (Signature) Member (Signature) Partner  
 USAA Real Estate Company  
 3100 Smoketree Court, Suite 600, Raleigh, NC 27604  
 (Signature) (Address)

[Redacted] 7/23/09  
 GSA Contracting Officer