

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 2	TO LEASE NO. GS-04B-61006	DATE 11/20/2012	PAGE 1 of 2
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ADDRESS OF PREMISES
434 Fayetteville Street, Suite 700, Raleigh North Carolina 27601-2941

THIS AGREEMENT, made and entered into this date by and between PHOENIX LIMITED PARTNERSHIP OF RALEIGH

whose address is 434 FAYETTEVILLE STREET, SUITE 2060
RALEIGH, NC 27601-1701

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease in order to establish lease term commencement and termination dates.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective September 1, 2012, as follows:

1. Paragraph 1 deleted in it's entirety and replaced as follows:

"1. A total of 10,397 rentable square feet (RSF) of office and related space, which yields 8,963 ANSI/BOMA Office Area square feet (ABOA) along with three (3) structured reserved parking spaces in BBT/TWO HANOVER SQUARE located at 434 Fayetteville Street, Suite 700, Raleigh, North Carolina 27601-2941, to be used for such purposes as determined by the General Services Administration."

2. Paragraph 2 deleted in it's entirety and replaced as follows:

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on September 1, 2012 through August 31, 2022, subject to termination and renewal rights as may be hereinafter set forth.

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

TERM	ANNUAL SHELL	ANNUAL OPERATING	ANNUAL TI	ANNUAL PARKING	ANNUAL RENT (rounded)	PRSF RATE (rounded)	PRSF ABOA	MONTHLY RATE
09/01/2012 - 08/31/2017	\$171,550.50	\$63,523.00	\$70,881.27	\$3,300.00	\$309,254.77	\$29.74	\$34.50	\$25,771.23
09/01/2017 - 08/31/2022	\$201,389.89	\$63,523.00	\$-0-	\$3,300.00	\$268,212.89	\$25.80	\$28.92	\$22,351.07

Note 1. The rate per rentable square foot (RSF) is determined by dividing the total annual rent by the rentable square footage set forth in Paragraph 1 above. The Shell Rate years 1-5 is determined to be \$171,550.50 per annum (\$16.50 per rsf rounded); the base rate years 6-10 is determined to be \$201,389.89 per annum (\$19.37 per rsf).

Note 2. The rate per ANSI/BOMA office area square foot (ABOA) is determined by dividing the total annual rental by the ANSI/BOMA office area square footage set forth in Paragraph 1. The Shell Rate years 1-5 is determined to be \$171,550.50 per annum (\$19.14 per ABOA rounded); the base rate years 6-10 is determined to be \$201,389.89 per annum (\$22.17 per ABOA rounded).

Note 3. The above Annual Operating rate to be escalated as indicated in Paragraph 15 of this lease contract."

Except as modified in this Agreement, all terms and conditions of the Lease shall remain in full force and effect, and in the event that any of the terms and conditions of this Agreement conflict with any terms and conditions of the Lease or any previous supplemental lease agreements, the terms and conditions of this Agreement shall control and govern.

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IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR

Phoenix Limited Partnership of Raleigh Managing General Partner	NAME OF SIGNER Craig Shimamura, Vice President
5 Hutton Centre Dr., #860, Santa Ana, CA 92707	

IN PRESENCE OF

[Redacted]	NAME OF SIGNER Tim Nelson
Santa Ana, CA 92707	

UNITED STATES OF AMERICA

[Redacted]	NAME OF SIGNER ROBERT E. SCOTT
[Redacted]	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

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3. Paragraph 5 deleted in it's entirety and replaced with Paragraph 5. as follows:

"5. The Government may terminate this lease in whole or in part at any time on or after September 1, 2017 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."

4. Paragraph 6.E deleted in it's entirety and replaced as follows:

"6.E. "Lessor shall provide three (3) structured reserved parking spaces. The cost of parking to the Government is \$1,100.00 per space, \$3,300.00 per annum (\$.32 per rsf, rounded, \$.368 per aboa rounded), which is inclusive in the annual rental rate of this SF2 for the full term of the lease period 09/01/2012 through 8/31/2022."

5. Paragraph 12 deleted in it's entirety and replaced as follows:

"12. The rental set forth in Paragraph 2 of this Lease Agreement is based upon the Lessor providing a tenant improvement allowance of \$305,531.10 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 6% (\$6.82 per rsf rounded; \$7.91 per ABOA rounded). In accordance with Solicitation for Offers 9NC2077 Paragraph 3.3. *Tenant Improvements Rental Adjustment*, the Actual cost of Tenant Improvement is established to be \$463,509.62.

The Lessor will be issued a lump sum payment upon completion, inspection and acceptance of the Scope of Work, Exhibit "A" Amended and attached to this SLA by the Government. Payment is predicated on receipt of this signed SLA and a certified invoice at the time of work completion. Invoicing Instructions. Vendors or lessors should be instructed to submit invoices electronically on the Finance Website at www.finance.gsa.gov. Vendors or lessors who are unable to process the invoices electronically, may mail the invoices to the following address: General Services Administration, P. O. Box 17181, Fort Worth, TX 76102-0181. A proper invoice must include; invoice date, name of Lessor as shown on the Lease, and lease contract number, building address and a description, price, and quantity of the items delivered. The Payment Document Code Nos. are PDN#0023968 in the amount \$157,978.52 must be included with payment submittals. Upon said payment, all removable non-structural fixtures shall become the property of the Government and may be changed, relocated and/or removed from the leased premises by the Government."

The Lessor hereby waivers of restoration for all areas affected by this alteration.

6. Paragraph 20 deleted in it's entirety and replaced as follows:

"20. In accordance with Solicitation for Offers 9NC2077 Paragraph 2.3, *Broker Commission and Commission Credit*, Studley, Inc./Gwen E. Fogel is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley, Inc./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 \$25,771.23 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted first month's rent).

Second month's rental payment of \$25,771.23 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).

Third month's rental payment of \$25,771.23 minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).

Except as modified in this Agreement, all terms and conditions of the Lease shall remain in full force and effect, and in the event that any of the terms and conditions of this Agreement conflict with any terms and conditions of the Lease or any previous supplemental lease agreements, the terms and conditions of this Agreement shall control and govern.

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INITIALS:

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LESSOR

&

[Signature]
GOVT