

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

January 24, 2011

LEASE NO. GS-04B-81022

THIS LEASE, made and entered into this date by and between TT&H - Wilmington, LLC

whose address is 2217 Stantonsburg, Road
Greenville, NC 27834-2841

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 11,830 ANS/BOMA Office Area Square Feet (12,889 Rentable Square Feet) of office space on the 1st floor in a building located at 1528 South 16th Street, Wilmington, North Carolina 28401-6428 as depicted on the demising floor plan labeled Exhibit "A" attached hereto and made a part hereof, together with seventy-four (74) onsite, surface parking spaces."

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for ten (10) years, five (5) years firm subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government substantially complete within sixty (60) working days from the Government's issuance of the Notice to Proceed."

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

TERM	ANNUAL RENT	RATE per RSF ¹	RATE per ANS/BOMA ²	MONTHLY RATE
Years 1-5	\$373,652.10	\$28.99	\$32.13	\$31,137.6750
Years 6-10	\$309,980.45	\$24.05	\$26.65	\$25,831.7042

Note 1. The rate per Rentable Square Foot (RSF) is determined by dividing the total annual rent by the RSF set forth in Paragraph 1 above.
Note 2. The rate per ANS/BOMA Office Area Square Foot (ABOASF) is determined by dividing the total annual rental by the ABOASF set forth in Paragraph 1 above"

"4. 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 rentable square foot (PRSF) as noted above, in accordance with Clause 23 (PAYMENT), GSA Form 3517B, General Clauses. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum ABOASF requested in Paragraph 1.1 (Amount and Type of Space). Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

TT&H - Wilmington, LLC
2217 Stantonsburg, Road
Greenville, NC 27834-2841"

LESSOR

SIGNATURE

NAME OF SIGNER

Thomas F. Taft, Sr., Manager

ADDRESS

Wilmington, NC 27834.

IN THE

NAME OF SIGNER

Michael P. McGarty

UNITED STATES OF AMERICA

SIGNATURE

NAME OF SIGNER

William Justin Kidwell

OFFICIAL TITLE OF SIGNER

GENERAL SERVICES
ADMINISTRATION
CONTRACTING OFFICER

- "5. The Government may terminate this lease in whole or in part at any time after the fifth (5th) year of the lease 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."
- "6. The Lessor is a LLC and a small business. The Tax Identification Number is [REDACTED]. The DUNS number is 962897612. The signatory authority for the Lessor is Thomas F. Taft, Sr."
- "7. The following are attached and made a part hereof:
- A. SF-2 Portion of the Lease
 - B. Continuation of SF-2, Lease No. GS-04B-61022 (pages 2-4)
 - C. Solicitation for Offers 8NC2148 dated March 31, 2010 including all attachments
 - D. SFO Amendment No. 1 dated April 20, 2010 and attachments:
 - 1) Requirements Punch list, Shell and Tenant Improvement Costs breakout included
 - 2) LAN Room Requirements, Smith Group #26230.331 dated 6/11/08
 - 3) Private Interview Room, Current Configuration Plan
 - 4) Private Interview Room, Re-Configuration Plan
 - 5) Entire Office Floor Plan, Private Interview Room and Front-end Interview Counter included
 - 6) Floor Covering & Door Schedules
 - E. GSA Form 3517 (rev. 11/05) and Amendment to Form 3517 dated April 20, 2010
 - F. GSA Form 3518 entitled Representation and Certifications (Rev. 1/07)
 - G. Demising floor plan labeled Exhibit "A."
- "8. 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 8NC2148.
 - B. All labor, materials, equipment, design, professional 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 8NC2148.
 - C. Build out shall be included in accordance with the Solicitation for Offers 8NC2148 and Government approved design intent drawings. The Lessor will provide design intent drawings to the Government within thirty (30) working days subsequent to lease award. All tenant alterations to be completed within sixty (60) working days of receipt of the Government's Notice to Proceed for tenant improvements or the lease effective date identified under Paragraph 2, whichever is later. *Beneficial Occupancy shall be established upon space acceptance and accomplished under a subsequent Supplemental Lease Agreement.*
 - 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 or Contracting Officer's Designee. Should the Lessor make changes without approval, the Government will not be responsible for the cost of those changes and the Lessor will not be reimbursed."

"9. The rental set forth in Paragraph 3 of this Lease Agreement includes all Tenant Improvements (TI). In accordance with Solicitation for Offers 8NC2148 Paragraph 3.3, *Tenant Improvement Rental Adjustment*, the total Tenant Improvement Allowance provided in the lease is \$386,655.17, amortized at an interest rate of 6.5% over five (5) years yielding an annual cost of \$90,784.23 at a rate of \$7.04 per rentable square foot (\$7.81 ABOASF). The TI allowance will be used to construct the interior space in accordance with the approved DIDs provided by the Lessor. If the TI cost exceeds \$7.81 per ABOASF (for up to 11,630 ABOASF), the balance due the Lessor will be paid by rental adjustment or lump sum, to be determined by the Government. If the entire TI allowance of \$7.81 per ABOASF is not used, the Government will adjust the rental rate downward to off-set the difference. The Lessor understands, in lieu of Cost and Pricing Data, his contractor or each of his sub-contractors shall solicit three (3) bids for work completed as part of the initial tenant alterations, e.g., for electrical, plumbing, etc. The lowest responsive bid will be accepted. This does not apply to the shell build-out."

"10. The following Tenant Improvement Fee Schedule is incorporated into this lease (GSA Form 1364 dated 10/29/10, Box 26, submitted November 22, 2010). The General Conditions fee is 5%; General Contractor's fee is 10%; Architectural/Engineering fee is \$0.00 (no additional cost) & Project Management fee is 5%."

"11. In accordance with Solicitation for Offers 8NC2148 Paragraph 1.12 (Building Shell Requirements), the annual shell cost is established as \$236,093.73 yielding \$18.33 per rentable square foot (\$20.31 per ABOASF) which is included in the rental rate in Paragraph 3 for years 1-5 of the lease. Shell rate for years 6-10 of the lease is \$20.43 per rentable square foot."

INITIALS: MT LESSOR & WFT GOVT

- "12. The premises described in Paragraph 1 of the Standard Form 2 shall contain 11,630 ABOASF of office and related space, as identified in Solicitation for Offers 8NC2148."
- "13. In accordance with Solicitation for Offers 8NC2148 Paragraph 4.1, *Measurement of Space*, the common area factor (CAF) is established as 1.10825 or 11% rounded, based on 12,889 RSF AND 11,630 ABOASF."
- "14. In accordance with Solicitation for Offers 8NC2148 paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 100% based on Government occupancy of 12,889 rentable square feet and total building area of 12,889 rentable 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 ABOASF stated in the SFO, and in accordance with GSA Form 3517B, GENERAL CLAUSES."
- "15. In accordance with Solicitation for Offers 8NC2148 Paragraph 4.3, *Operating Costs*, the annual operating cost is established as \$46,774.14 yielding an escalation base of \$3.62 per rentable square foot (\$4.02 usable square foot) which is included in the rental rate in Paragraph 3."
- "16. In accordance with Solicitation for Offers 8NC2148 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$1.80 per per rentable square foot (\$2.00 per ABOASF)."
- "17. In accordance with Solicitation for Offers 8NC2148 Paragraph 4.5, *Normal Hours*, services, utilities, and maintenance shall be provided daily, extending 7:00 a.m. to 6:00 p.m. except Saturdays, Sundays, and federal holidays."
- "18. In accordance with Solicitation for Offers 8NC2148 Paragraph 4.6, *Overtime Usage*, the cost for overtime utilities beyond the normal hours of operation is established as \$9.00 per hour for the entire system. No additional charge (\$0.00) for areas requiring 24/7 HVAC."
- "19. In accordance with Solicitation for Offers 8NC2148 Paragraph 4.8, *Janitorial Services*, cleaning services requiring access to the Government's leased space shall be performed during tenant working hours. Personnel performing cleaning services shall be employed with a licensed company. The employing company shall ensure that the employee is bonded and has been fingerprinted and a local agency check for a criminal record is completed."
- "20. In accordance with Solicitation for Offers 8NC2148 Paragraph 5.14, *Waiver of Restoration*, the Lessor hereby waives all restoration rights."
- "21. In accordance with Solicitation for Offers 8NC2148 Paragraph 8.6, *Toilet Rooms*, no size modification to any of the restrooms is required to meet ABAAS in the space. Floor drains in the public restroom, as identified on the Punch List, are not required."
- "22. In accordance with Solicitation for Offers 8NC2148 Paragraph 9.7 (Radon in Water), if the water source is not from a public utility, the Lessor shall demonstrate that water provided in the leased space is in compliance with EPA requirements and shall submit certification to the Contracting Officer prior to the Government occupying the space."
- "23. "In accordance with Solicitation for Offers 8NC2148 Paragraph 9.8 (Radon in Air), testing for radon to be complete not later than 150 days after award."
- "24. "The [REDACTED] requirement in accordance with Solicitation for Offers 8NC2148 Paragraph 10.17 ([REDACTED] Requirements) is hereby deleted. Lessor is not required to provide."
- "25. "All items on Requirements Punch list to be completed and accepted by the Government prior to occupancy. Work to be performed after normal business hours with minimal disruption to the tenant."
- "26. In accordance with Solicitation for Offers 8NC2148 Paragraph 2.2, *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and CBRE have agreed to a cooperating lease commission of [REDACTED] percent for the firm term, five (5) years, of the lease ("Commission"). The total amount of the Commission is [REDACTED]. The Lessor shall pay the Broker no additional commission associated with this lease transaction. In accordance with Solicitation for Offers 8NC2148 Paragraph 2.2, *Broker Commission and Commission Credit*, the Broker has

INITIALS: TT LESSOR & WGH GOVT

agreed to forego [redacted] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [redacted]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease. The [redacted] commission balance equating to [redacted] is to be paid to the Broker. 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."

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease 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 as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$31,137.6750 minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent;

Second Month's Rental Payment \$31,137.6750 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent."

INITIALS: SK LESSOR & WGH GOVT