

STATE OF NORTH CAROLINA

COUNTY OF WAKE

LEASE AGREEMENT

THIS LEASE AGREEMENT, made and entered into this 24<sup>th</sup> day of May, 2011, by and between the RALEIGH-DURHAM AIRPORT AUTHORITY, a municipal corporation chartered by the General Assembly of North Carolina and existing by virtue of Chapter 168, Public-local Laws of 1939, as amended, hereinafter referred to as the "Authority," and the GENERAL SERVICES ADMINISTRATION, an Executive Agency of the United States of America, hereinafter referred to as the "Lessee."

WITNESSETH:

THAT WHEREAS, the Authority and Lessee executed and entered into a Raleigh-Durham Airport Authority Lease Agreement as of the 5<sup>th</sup> day of August, 2002; and

WHEREAS, said Agreement was amended by Supplement Number 1 thereto executed and entered into by the two parties as of the 1st day of April, 2003; and

WHEREAS, said Agreement was amended by Supplement Number 2 thereto executed and entered into by the two parties as of the 11<sup>th</sup> day of March, 2004; and

WHEREAS, said Agreement was amended by Supplement Number 3 thereto executed and entered into by the two parties as of the 2nd day of July, 2007; and

WHEREAS, said Agreement was amended by Supplement Number 4 thereto executed and entered into by the two parties effective as of the 17<sup>th</sup> day of July, 2007; and

WHEREAS, said Agreement was amended by Supplement Number 5 thereto executed and entered into by the two parties effective as of the 1<sup>st</sup> day of September, 2009; and

WHEREAS, said Agreement was amended by Supplement Number 6 thereto executed and entered into by the two parties effective as of the 5<sup>th</sup> day of August, 2010; and

THAT WHEREAS, the Lessee has requested the Authority and Lessee execute and enter into a new Raleigh-Durham Airport Authority Lease Agreement (the "Agreement") as of the 5<sup>th</sup> day of August, 2011; and

THAT WHEREAS, the Authority owns and has available for rent certain office and other space in Terminals 1 and 2 at Raleigh-Durham International Airport ("RDU"); and

WHEREAS, Lessee wishes to lease these spaces for use by the [REDACTED] [REDACTED] [REDACTED] [REDACTED] for its administrative operations, including operations advancing airline and air passenger safety and screening, and may not be used for any other purpose; and

WHEREAS, the parties hereto have mutually agreed to the terms of this Agreement as hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and of the covenants contained in the terms and conditions hereinafter set forth, the Authority does hereby rent unto Lessee for and during the term and under the terms and conditions hereinafter set forth, those premises, together with all rights, privileges and appurtenances thereto belonging, lying and being on the Raleigh-Durham International Airport in Cedar Fork Township, Wake County, North Carolina, and more particularly described as follows, hereinafter referred to as the "Leased Premises":

- Block A: Approximately 2,492 square feet of office space in Suite 1163 on the first floor of Terminal 1 Main, in the vicinity of the air carrier baggage service offices.
- Block B: Approximately 817 square feet of office space in Suite N-2015 on the second floor of Terminal 1 North.
- Block C: Approximately 1,322 square feet of office space in Suite 2493 on the second level of Terminal 2.
- Block D: Approximately 2,887 square feet of shell space in Room 1810 on the first level of Terminal 2.

THE TERMS AND CONDITIONS OF THIS LEASE AGREEMENT ARE AS FOLLOWS:

1. Lease Term. The term of this Agreement for Leased Premises identified above as Block A, Block B, and Block C shall commence on the 5th day of August, 2011, and shall end on the 4th day of September, 2011, unless sooner terminated or extended as provided herein.

The term of this Agreement for Leased Premises identified above as Block D shall commence at 12:01 AM local time on the Date of Beneficial Occupancy ("DBO") of those Leased Premises, and, unless sooner terminated as herein provided, shall expire at 11:59 PM local time on the same day of the same month as the term expiration of the Leased Premises identified as Block A, Block B, and Block C. The DBO shall be the date upon which Lessee commences operations from and use of any part of or all of the Leased Premises.

2. Extension of Term. Unless this Agreement has been sooner terminated in accordance with the provisions hereof, the Authority and Lessee hereby agree that beginning on the 5<sup>th</sup> day of September, 2011, the term of this Agreement shall automatically be renewed and extended on a month-to-month basis upon the same terms and conditions as provided herein through the 4<sup>th</sup> day of August, 2016. However, any said renewed term beyond October 4, 2011, shall be terminable by either party at the end of any month by the giving of at least thirty (30) days prior written notice to the other party of its intention to terminate.

3. Fixed Rent. Lessee shall pay to the Authority as Fixed Rent for said Leased Premises for each calendar month of the Lease Term or any renewal or extension thereof, the rentals, fees and charges set forth in Schedule A attached hereto and incorporated herein by reference in the same manner and to the same extent as if fully set forth in this Article. Lessee shall pay the rentals, fees and charges in arrears, which amount will be due on the tenth workday of each month. All rent payments will be made promptly without notice or demand. For payment of rental purposes, this Agreement is referred to by the Lessee as GSA Lease Contract GS-04B-61132.

The space rental rate is the standard rate for all users of comparable space on the Airport in effect on the date of execution of this Agreement. The rental rate may be changed at the sole discretion of the Authority effective April 1 of each year. The Authority shall use its best efforts, but shall not be obliged to provide the Lessee at least thirty (30) days written notice of such rental rate change. In the

event of any such adjustment, the Lessee agrees to make payments computed at the new rate per square foot per annum effective on April 1 of said year.

Lessee agrees to pay the aforesaid rentals, fees and charges to the Authority at the address specified, or to such other address as the Authority may designate by written notice to Lessee at least fifteen (15) days prior to the due date thereof. Failure of Lessee to pay said rentals, fees and charges or other amounts due the Authority within ten (10) days after the same become due and payable pursuant to the terms of this Agreement shall constitute breach of this Agreement by Lessee, entitling the Authority to terminate this Agreement or to terminate Lessee's right to possession of the Leased Premises upon written notice to Lessee. In the event Lessee fails to pay all or any part of any rents, fees or charges due and payable to the Authority within thirty (30) days after the same become due, such delinquent account shall bear interest at the rate of one and one-half percent (1½%) per month from the due date thereof until paid. Lessee agrees to pay such interest promptly upon demand.

4. Public Utilities Services. The costs of providing water, sewer, and electric services to the Leased Premises are included in the Fixed Rent charged to Lessee for the Leased Premises.
5. Information Services.
  - a. Telecommunication and Data Services. The Authority's Information Services Division offers telecommunication and data services to RDU tenants. However, tenants may choose the provider of their choice; the Authority, AT&T, TWTC, or other communication provider. Tenants must complete a Telecommunication Tenant Services form at least thirty (30) days prior to activating service. The form may be obtained by contacting the Communication Analyst in Information Services at 919-840-7437. Tenants may contact 919-840-7678 (PORT) or 919-840-7437 to obtain additional service information.
  - b. Radio Systems/Antennas. Tenants wishing to install any VHF, UHF or 800 Mhz radio systems and/or antennas must do so in accordance with the "RDU Airport Authority VHF, UHF and 800Mhz Radio Site Standards". This document contains definitions, process and technical information related to installation and/or modification of VHF, UHF or 800 MHz radio equipment and antennas, and may be obtained by contacting the Operations Support Manager in Information Services at 919-840-7575. Installation or modification of such devices without prior written consent from the Airport Authority is prohibited.
  - c. Secured Wireless Service/MATV/CCTV. The Authority will provide a shared-use, in-building secured wireless network (Wi-Fi), MATV service and CCTV service in the Terminal 2. Tenants are not authorized to develop and implement their own wireless network, MATV or CCTV services, and should contact the Communication Analyst in Information Services at 919-840-7437 to obtain additional service information.
6. Parking. Parking of Lessee's employees' private vehicles shall be in the employee section of Park & Ride Lot #4, to which the Authority's normal charges for employee parking shall apply. Lessee employee parking and parking of Lessee's company vehicles will comply with all Authority Parking Department policies and procedures in effect at that time. Lessee employee parking is subject to relocation at any time at the Authority's discretion. Parking of Lessee's visitors' private vehicles shall be in the public parking lots to which the Authority's normal charges for parking shall apply.

7. Janitorial. Lessee and Lessee's invitees, guests and visitors shall be entitled to use the public restrooms in Terminals 1 and 2, the responsibility for janitorial and cleaning services and supplies, including the cost of such services and supplies, for which shall rest with the Authority.

The Authority's janitorial services provider will be responsible for cleaning the Leased Premises and the Authority will bill the Lessee for those services on a quarterly basis. If a Lessee chooses to use Lessee's staff to clean the space rented, it is the Lessee's responsibility to remove trash from the rented space to the dumpster serving the building. The Authority will not allow tenants to contract with a janitorial services provider of their choosing. The Authority will provide dumpster service for the building.

8. Condition. It is understood and agreed that Lessee, at the beginning of the Lease Term as hereinabove set forth, takes and enters onto the Leased Premises in their present condition "as is, where is."
9. Maintenance and Repair – Block A and Block B (Terminal 1). The Authority will not be responsible for the maintenance nor repair of personal property owned by the Lessee. The Authority will not be responsible for any improvements to the Leased Premises, including extension of HVAC or utilities to support renovation or improvements made by the Lessee. Heating and air conditioning, lighting, electric power and water and sewer services within rented space are supplied by the Authority without additional charge.

The Authority's responsibilities for maintenance within the Leased Premises identified as Block A and Block B include the following:

- a. Heating and air conditioning system sufficient to maintain inside temperature in the range from a low of 68° during the heating season to a high of 80° at all other times.
- b. Water supply, wastewater disposal, and plumbing systems.
- c. Foundation, walls, ceilings, floors, doors, windows and roof of the building.
- d. Electrical wiring system and fixtures, including replacement of fluorescent tubes and ballasts.

Lessee shall be responsible for and maintain at its own expense:

- a. Floor coverings, fixtures (excluding light fixtures), furniture and any improvements made by Lessee.

Except as noted above, during the Lease Term and any renewal or extension thereof, the Authority shall keep the Leased Premises in good repair and tenantable condition, to the end that all facilities which it is required to maintain are kept in operative condition. Lessee is responsible for damages arising from the negligence of its employees, agents and invitees to the extent permitted under the Federal Tort Claims Act (28 USC 267 1-2677). In case the Authority shall, after written notice from Lessee in regard to a specified condition, fail, refuse or neglect to correct said condition, or in the event of an emergency constituting a hazard to the health or safety of Lessee's employees, agents, invitees or property, it shall then be lawful for Lessee, in addition to any other remedy Lessee may have, to make such repair at its own cost and expense and to deduct the amount thereof from the Fixed Rent that may then be or thereafter become due hereunder. The Authority reserves the right to enter and inspect the Leased Premises at reasonable times, as set forth in Paragraph 19, and to make necessary repairs thereto.

10. Maintenance and Repair – Block C and Block D (Terminal 2). The Authority will be responsible for maintenance within the Leased Premises except for those items of personal property owned by

Lessee. The Authority will not be responsible for the maintenance nor repair of personal property owned by the Lessee. The Authority will not be responsible for any improvements to the Leased Premises, including extension of HVAC or utilities to support renovation or improvements made by the Lessee with the prior written consent and approval of the Authority, with the exception of Block D – Room 1810. Block D – Room 1810 is a leasehold improvement within which the Authority will be responsible for maintenance as outlined below; however, the Authority will maintain Block D – Room 1810 on a charge-back to Lessee basis. The Authority will not repair, replace or recondition equipment and furniture owned and installed by Lessee within Block D – Room 1810, nor is the Authority responsible for refurbishment or renovation of Block D – Room 1810. Heating and air conditioning, lighting, electric power and water and sewer services within rented space are supplied by the Authority without additional charge.

The Authority's responsibilities for maintenance within the Leased Premises include the following:

- a. Sufficient heating and air conditioning system to maintain inside temperature in the range from a low of 68° during the heating season to a high of 80° at all other times.
- b. Replacement of carpet and repainting of walls as deemed necessary by the Authority, and repairs to other flooring types as needed.
- c. Repairs to electrical distribution, including components and fixtures, and replacement of fluorescent tubes and ballasts.
- d. Repairs to HVAC units, including VAV's, diffusers, ductwork, thermostats, and the like.
- e. Repairs to plumbing fixtures, sink repair, and water and sanitary sewer distribution, as well as responses to backups and overflows.
- f. Structural repairs and cosmetic and functional repairs to non-personal property items such as foundation, walls, ceilings, floors, doors, windows and roof.

Should maintenance or repair be necessary due to damage caused by Lessee's employees, agents, contractors or customers, the Authority will make the required repairs and bill the Lessee for reimbursement. With the exception of Block D – Room 1810, maintenance related to normal wear and tear is supplied by the Authority at no additional charge. Lessee will be billed for reimbursement of expenses related to maintenance of Block D – Room 1810.

Except as noted above, during the Lease Term and any renewal or extension thereof, the Authority shall keep the Leased Premises in good repair and tenantable condition, to the end that all facilities which it is required to maintain are kept in operative condition. Lessee is responsible for damages arising from the negligence of its employees, agents and invitees to the extent permitted under the Federal Tort Claims Act (28 USC 267 1-2677). In case the Authority shall, after written notice from Lessee in regard to a specified condition, fail, refuse or neglect to correct said condition, or in the event of an emergency constituting a hazard to the health or safety of Lessee's employees, agents, invitees or property, it shall then be lawful for Lessee, in addition to any other remedy Lessee may have, to make such repair at its own cost and expense and to deduct the amount thereof from the Fixed Rent that may then be or thereafter become due hereunder. The Authority reserves the right to enter and inspect the Leased Premises at reasonable times, as set forth in Paragraph 19, and to make necessary repairs thereto.

11. Furniture, Fixtures, Signs. Lessee may install its furniture and fixtures (excluding light fixtures) in the spaces rented. At the termination of its occupancy of the space, Lessee will have the right to remove its personal property; provided however, that upon removal Lessee shall restore the facilities to their original condition, ordinary wear and tear excepted. Lessee will be fully responsible for the operation, repair and maintenance of said furniture and fixtures in complete and proper working order at all times.

Lessee shall have the right during the Lease Term and any renewal or extension thereof, with the Authority's prior written consent and approval, to make alterations, attach fixtures and erect signs in or upon the Leased Premises. Such fixtures, or signs so placed in or attached to the Leased Premises under this Agreement or any prior lease of which this Agreement is an extension or renewal shall be and remain the property of Lessee, and shall be removed therefrom and the premises restored to their original condition, reasonable wear and tear excepted, by Lessee prior to the expiration or earlier termination of this Agreement or any renewal or extension thereof, or within thirty (30) days thereafter.

12. Waiver of Restoration. Specific to "Block D - Room 1810 (Terminal 2)" only, the Authority hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Federal Government for waste, damages, or restoration arising from or related to (a) the Federal Government's normal and customary use of the Leased Premises identified as "Block D - Room 1810" during the term of the Agreement (including any extensions thereof), as well as (b) any initial or subsequent alteration to the Leased Premises identified as "Block D - Room 1810", during the term of this Agreement (including any extensions thereof), where such alterations or removals are performed by the Authority or by the Federal Government with the Authority's consent, which shall not be unreasonably withheld. The Federal Government may, at its sole option, abandon property that becomes part of the real estate in the Lease Premises identified as "Block D - Room 1810" following expiration of the Agreement, in which case the property will become the property of the Authority and the Federal Government will be relieved of any liability in connection therewith. However, cabling installed by the Federal Government or its contractor, and personal property of the Federal Government and/or its employees, must be removed and cannot be abandoned in place following expiration of this Agreement.
13. Compliance with Laws. During the term of this Agreement, Lessee shall at all times fully and promptly observe, obey and comply with all statutes, laws, ordinance, orders, rules, regulations and standards, whether now in effect or hereinafter enacted, adopted or promulgated by the Authority, any municipal, State or federal agency, or any other lawful authority having jurisdiction over the Leased Premises, the operation of the airport, or the business conducted by Lessee at or from the Leased Premises, including, but not limited to, those relating to the safety, cleanliness, occupancy and use of the Leased Premises, to the nature, character and manner of operation of the business conducted in, at or from said Leased Premises, and to the conduct of Lessee's agents and employees while on RDU property.
14. Damages. If the Leased Premises be destroyed by fire or other casualty, without fault of Lessee, this Agreement shall immediately terminate and the Fixed Rent shall be apportioned to the time of the damage. In case of partial destruction or damage by fire or other casualty without fault of Lessee, so as to render the Leased Premises untenable in whole or in part, there shall be an apportionment of the Fixed Rent until the damage has been repaired. During such period of repair, Lessee shall have the right to obtain similar office space at the expense of Lessee or Lessee may terminate the Agreement by giving fifteen (15) days written notice to the Authority.

The Authority shall be liable to Lessee for any loss or damages suffered by Lessee which are a direct result of the failure of the Authority to perform an act required by this Agreement, provided that the Authority could reasonably have complied with said requirement and provided that such liability, if caused by the negligence of the Authority or its representatives, shall not exceed the amount of insurance coverage available for the payment thereof; and, if caused by a breach of this Agreement, shall not exceed the amount of rent paid to the Authority by Lessee hereunder within the twelve months immediately preceding the event given rise to such liability.

15. Insurance. The Federal Government, and its agency, the Lessee, is prohibited by Federal statute from purchasing insurance policies of the type required by the Authority's standard form of lease, and is fully self-insured, subject to the limitations of the Tort Claims Act
16. Liability. The Lessee shall be responsible and liable for any and all claims, actions, damages, liability and expense in connection with loss of life, personal injury or damage to property occurring in, on or about, or arising out of the use of the Leased Premises and any appurtenances thereto, or occasioned wholly or in part by any negligent or willful act or omission of Lessee, its employees, agents, contractors or customers, including reasonable attorneys' fees; provided, however, that nothing contained herein shall be construed as requiring Lessee to be responsible or liable for all such claims, actions, damages, liability or expense which may be caused by the negligence or willful misconduct of the Authority.
17. Quiet Enjoyment. The Authority agrees that Lessee, upon keeping and performing the covenants and agreements herein contained, shall at all times during the term of this Agreement and any renewal or extension thereof have and enjoy peaceful and quiet possession of the Leased Premises.
18. Surrender. Upon expiration or earlier termination of this Agreement or any renewal or extension thereof, Lessee's right to occupy and use the Leased Premises shall cease and Lessee shall promptly surrender the Leased Premises to the Authority in as good order and condition as when received, reasonable wear and tear and damage by fire not caused by Lessee or other casualty excepted.
19. Inspection. Authorized representatives of the Authority may enter upon the Leased Premises at reasonable times for the purpose of making inspections of said Leased Premises; in order to gain access to the structural, electrical, mechanical, elevator, utility and fire protection systems within the Leased Premises; for the inspection, installation, modification, expansion and maintenance of or repairs to utilities, equipment and facilities located within the Leased Premises; or for any other purpose necessary for, reasonably incidental to or connected with the performance of the Authority's obligations under the terms of this Agreement. Insofar as is reasonably possible, Lessee shall be given advance notice of any inspection, said inspection shall be performed in the company of an employee or other authorized representative of Lessee, and reasonable effort shall be made to avoid or minimize any business disruption which may be associated therewith.
20. Assignment. Lessee shall not assign this Agreement nor sublet the Leased Premises without the prior written consent of the Authority.
21. Notices. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and deposited in the United States mail, certified and postage prepaid and addressed as follows: To the Authority at P.O. Box 80001, RDU Airport, North Carolina 27623; Attention: Karen Quinn Reynolds, Properties & Insurance Officer; and to the Lessee at the General Services Administration, Public Buildings Service, Real Estate Acquisition Division (4PR1D), 77 Forsyth Street, Atlanta, Georgia 30303; Attention: Wanda Hardiman, Lease Contracting Officer. Nothing herein contained shall preclude the giving of such notice by personal service. The address to which notices shall be mailed to either party may be changed by written notice.
22. Waiver. The failure of either party to insist in any instance upon strict performance of any of the terms and conditions herein set forth shall not be construed as a waiver of the same in any other instance. No modification of any provision hereof and no cancellation or surrender hereof shall be valid unless in writing and executed by both parties.

23. Binder. This Agreement, and all of the terms and provisions hereof, shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, successors and assigns. This Agreement shall be governed by and construed under the laws of the United States of America. If any provision of this Agreement be declared invalid or unenforceable, the remainder of the Agreement shall continue in full force and effect. This Agreement constitutes the entire agreement between the parties as of the date hereof and supersedes all prior and independent agreements between the parties respecting the Leased Premises whether written or unwritten.
24. Incorporation of Documents. This Agreement hereby incorporates Exhibit A: GSA Form 3517A; Exhibit B: legal opinion regarding insurance; and Exhibit C: GSA Form 3518G; attached hereto by reference, and in the event of any conflict with this Agreement, said Exhibits shall control.

IN TESTIMONY WHEREOF, this Agreement has been executed by the parties hereto, in duplicate originals as of the day and year first above written.

ATTEST: (SEAL)



RALEIGH-DURHAM AIRPORT AUTHORITY



Director

ATTEST: (SEAL)

\_\_\_\_\_  
Witness

GENERAL SERVICES ADMINISTRATION



This instrument has been preaudited in the manner required by the Local Government Budget and Fiscal Control Act.

\_\_\_\_\_  
Finance Officer