

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

June 13, 2012

LEASE NO.

GS-04B-62312

THIS LEASE, made and entered into this date by and between The Paradigm Development Group, LLC

whose address is 315 West Main Street
Williamston, NC 27892-2317

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:

- The Lessor hereby leases to the Government the following described premises:

A total of 6,000 rentable square feet (RSF) of office and related space, which yields 5,727 ANSI/BOMA Office Area square feet (ABOASF) of space located at 1633 John Small Avenue, Washington, NC 27889-8032 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are thirty (30) surface, parking spaces for the exclusive use of Government vehicles.

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for five (5) years, 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 ninety (90) working days subsequent to the Government's approval of the Notice to proceed for Tenant Improvements.
- The Government shall pay the Lessor monthly in arrears in accordance with the following table:

Year	Annual Shell	Annual Rent per RSF	Base Cost of Services	Tenant Improvement Allowance	Building Specific Security Costs	Rent per RSF	Total Annual Rent
1-5	\$83,400.00	\$ 13.90	\$ 6.10	\$ 7.64	\$ 1.12	\$ 28.76	\$ 172,560.00
6-10	\$98,040.00	\$ 16.34	\$ 6.10	\$ -	\$ -	\$ 22.44	\$ 134,640.00

Rent shall be adjusted in accordance with the provisions of the Solicitation for Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

The Paradigm Development Group, LLC
315 West Main Street
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- The Government may terminate this lease in whole or in part at any time after the fifth (5th) year by giving at least one hundred-twenty(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.
- The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - The thirty (30) reserved parking spaces described in Paragraph 1 and parking spaces required by local code.
 - 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

LESSOR

SIGNATURE

[Redacted Signature]

NAME OF SIGNER

AL R. CHESSON

ADDRESS

[Redacted Address]

NAME OF SIGNER

Katherine Manning

UNITED STATES OF AMERICA

NAME OF SIGNER

Wanda Hardiman

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

accordance with the requirements of this lease and the Government's final construction drawings; provided that the Government shall make payments for lump sum items identified in the attachment sheets in the amounts specified therein. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 0NC2097 and its attachments.

- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
6. The following are attached and made a part hereof:
- A. Solicitation for Offers 0NC2097 dated 7/08/2011;
 - B. Social Security Administration Special Requirements, dated 05/27/2010;
 - C. Amendment 1 to SFO 0NC2097, dated 7/28/2011;
 - D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
 - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - F. Exhibit A – Floor Plans
7. Rent includes a Tenant Improvement Allowance of \$195,176.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 6.5% (\$7.64/RSF and \$8.00/ABOASF). In accordance with SFO paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
8. Rent includes a Building Specific Security Costs of \$28,669.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 6.5% (\$1.12/RSF and \$1.18/ABOASF).
9. CBRE, Inc. ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. In accordance with SFO paragraph 2.3 the lessor and the Broker have agreed to a SFO cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to CBRE, Inc. with the remaining [REDACTED] which is the "Commission Credit", to be credited to the shell rental portion of the annual rental payments due and owing 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 in equal monthly installments over the shortest period practicable.
- Notwithstanding Paragraph 3 of this Lease, 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 \$14,380.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent;
- Second Month's Rental Payment \$14,380.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.
10. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.05 (6,000RSF / 5,727ABOASF).
11. In accordance with SFO paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 100%. The base year for real estate tax escalations has been established as \$9,400.00 (\$1.57 RSF/ \$1.64 USF)
12. In accordance with SFO paragraph 4.3, *Operating Costs Base*, the escalation base is established as \$36,600.00 per annum.
13. In accordance with SFO paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$0/ABOASF for vacant space (rental reduction).
14. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$6.00 per hour beyond the normal hours of operation of 7:00 AM to 5:00 PM, Monday through Friday. Areas requiring 24/7 HVAC will be provided at a rate of \$0. Overtime usage will be processed through the GSA Service Center per the SFO.
15. Cleaning services requiring access to the Government's leased space shall be performed in accordance with SFO paragraph 4.8, *Janitorial Services*.
16. In accordance with SFO paragraph 5.13, *Floor Plans after Occupancy*, the Lessor shall provide one (1) copy of CAD as built drawings on CD-ROM to the contracting officer within ten (10) working days of completion of construction.

17. Wherever the words "offeror" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "solicitation for offers", or "SFO" appear in this lease, they shall be deemed to mean "this lease"; wherever the words "space offered for lease" appear in this lease, they shall be deemed to mean "leased premises."
18. If, during the term of this lease including extensions, title to this property is transferred to another party either by sale, foreclosure, condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany this notification:
- A. A certified copy of the deed transferring title to the property from the Lessor to the new owner.
 - B. A letter from the new owner assuming, approving, and agreeing to be bound by the terms of this lease.
 - C. A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of the transfer.
 - D. The new owner's tax identification number (TIN#) or social security number.
 - E. The new owner's DUNS#
 - F. The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all parties fully. If a limited partnership, list all general partners and identify under the laws of which state the limited partnership is created. If a realty trust, give names of all trustees and the recording date of the trust.
 - G. A Novation Agreement.
 - H. The new owner must provide a new GSA Form 3518.
- The foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of the transfer will be processed to the Lessor. Initial rental payment, including the applicable portion of rent for the month during which the transfer occurred, to the new owner will be processed on the first day of the month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of the month (or later), in which the transfer of title will be affected, the full contract rental for that month will be forwarded to the Lessor. In any instance, failure to submit the documentation required for transfer of title will result in a stop payment of rent until such time as all documentation is received by the Contracting Officer.
19. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of federal agencies other than the officers or employees of the U.S. General Services Administration or personnel authorized by the Contracting Officer.
20. Within 5 days of lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be taken care of immediately.
21. 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 SFO, the SF-2 shall take precedence.
22. The Lessor is a small business. The Tax Identification Number is 502197307. The DUNS number is 116656310.
23. General Conditions fee is 4%; General Contractor's fee is 5%; Architectural fee is 3% & Project Management fee is 1%.

*** please note the lease term for Lease No. LNC62312 is effective 6/15/2012- 06/14/2022