

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

6/1/2010

LEASE NO. LSC59114

THIS LEASE, made and entered into this date by and between **The Hutton Company, LLC**

whose address is 736 Cherry Street
Chattanooga, TN 37402-1909

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 10,612 ANSI BOMA Office Area Square Feet (12,204 Rentable Square Feet) of office and related space in a newly constructed building to be located on Parcel No. 6280401001(parcel Q), Tech Park, Lakeshore Parkway, York County, Rock Hill, South Carolina 29730-4251 as outlined on the demising plan labeled Exhibit "A" attached hereto and made a part hereto together with fifty-three (53) surface parking spaces located on-site of the leased location for exclusive Government use. "

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for ten (10) years, five (5) years firm term, subject to termination rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government substantially complete no later than one hundred twenty (120) working days subsequent to the Government's Notice to Proceed. The Government may terminate this lease, in whole or in part, at any time on or after the fifth year of the lease, by giving the Lessor at least sixty (60) days notice in writing. No rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the day of mailing."

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

TERM	ANNUAL RENT	MONTHLY RATE
Months 1-2 *	\$23,211.75	\$11,614.14
Months 3-12	\$277,844.40	\$27,784.44
Months 13-60	\$333,413.28	\$27,784.44
Months 61-120	\$252,622.80	\$21,051.90

* Owner has provided free shell rent for the first two (2) months of the lease, total value \$32,357.13.

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

Continuation of SF2 GS-04B-59114, Paragraphs 4-18, see Pages 2 and 3.

SIGN	[Redacted]	NAME OF SIGNER	Karen J. Hutton
		ADDRESS	7402
IN THE PRESENCE	[Redacted]	NAME OF SIGNER	David L. Kelly
SIGNATURE	[Redacted]	UNITED STATES OF AMERICA	
		NAME OF SIGNER	
		OFFICIAL TITLE OF SIGNER	Maria Dent, Contracting Officer

6/1/10

"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 23 (PAYMENT), GSA Form 3517, General Clauses. The lease contract and the amount of rent will be adjusted accordingly. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

The Hutton Company, LLC
736 Cherry Street
Chattanooga, TN 37402-1909

"5. The DUNS number for The Hutton Company, LLC is 829990261."

"6. The rental set forth above is based upon the Lessor providing a tenant improvement allowance of \$343,878.46 for the construction of the tenant improvements which shall be amortized into the annual rental over a period of sixty (60) months at a rate of 6.5%. All tenant improvement cost must be reviewed and given written approval by the Government prior to construction. In accordance with Solicitation for Offers 8SC2098 paragraph 3.3, Tenant Improvements Rental Adjustment, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly."

"7. For the purpose of the operating cost escalation, in accordance with Solicitation For Offers 8SC2098, Paragraph 4.3 of this lease agreement, the annual base cost of services is established at \$58,530.00 or \$4.80 per rentable square foot."

"8. For the purpose of the Real Estate Tax Adjustment, in accordance with Solicitation For Offers 8SC2098 Paragraph 4.2 of this lease agreement, the base year tax amount is \$22,250.00 (\$1.82 rsf) and the Government will occupy 100% of the rentable square feet of the building. (Based on Government occupancy of 12,204 Rentable/10,612 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."

"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) 8SC2098.
- 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 SFO 8SC2098 and the Government's space layout drawings.
- C. Build out shall be in accordance with SFO 8SC2098 and Government approved space layouts.
- 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."

"10. The following are attached and made a part hereof:

- a. SF-2 Portion of the Lease (pages 1-3)
- b. SFO Portion of the Lease 8SC2098 dated April 30, 2009 (pages 1-53), Amendment No. 1 dated August 28, 2009
- c. [REDACTED] – Atlanta Region Special Requirements dated August 20, 2008
- d. GSA form 3517B (rev. 11/05) (pages 1-33)
- e. GSA form 3518 (rev. 1/07) (pages 1-7)
- f. Plans, title Exhibit "A", by reference
- g. Commission Agreement dated January 6, 2010 (pages 1-3), SFO 8SC2098"

"11. In accordance with Solicitation For Offers 8SC2098, Paragraph 4.1, the Common Area Factor (CAF) is a conversion factor(s) determined by the building owner and applied by the owner to the ANSI/BOMA Office Area square feet to determine the rentable square feet for the offered space. The CAF is established as 1.15% based on 10,612 ABOA square feet and 12,204 rentable square feet."

- "12. For the purpose of the Adjustment for Vacant Premises, in accordance with Solicitation For Offers 8SC2098, Paragraph 4.4 of this lease agreement, the reduction in operating costs shall be \$2.77 per ANSI/BOMA Office Area square feet of vacant space."
- "13. In accordance with Solicitation For Offers 8SC2098, Paragraph 4.5, the normal business hours for the office space is 7:15 AM to 5:30 PM Monday Through Friday."
- "14. The rental set forth above is based upon the Lessor providing no additional building specific security items except for those provided in shell or tenant improvement costs."
- "15. Cleaning services requiring access to the Government's leased space shall be performed in accordance with Paragraph 4.8 of the Solicitation for Offers 8SC2098."
- "16. In accordance with Solicitation for Offers 8SC2098, Paragraph 4.6 (Overtime Usage), the cost for overtime utilities beyond the normal hours of operation shall be \$4.57 per hour for the entire space. Areas requiring 24/7 HVAC, rate is \$0.00 per hour."
- "17. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implies, 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."
- "18. In accordance with the solicitation for offers 8SC2098, paragraph 2.4 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]. The Lessor shall pay the broker no additional commissions associated with this lease transaction. In accordance with the "broker commission and commission credit" paragraph, the broker has 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], [REDACTED] per month rounded, for three (3) months of the lease. The Lessor agrees to pay the commission less the commission credit, [REDACTED] to the broker in accordance with the "broker commission and commission credit" paragraph in and forming a part of this 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 follows until the credit has been fully captured.

Indicated in this schedule for adjusted monthly rent: Free shell rent for first two months of the lease therefore the commission credit commences with third month's rental payment.

THIRD month's rental payment \$27,784.44 minus prorated commission credit of [REDACTED] equals [REDACTED] adjusted third month's rent;
FOURTH month's rental payment \$27,784.44 minus prorated commission credit of [REDACTED] equals [REDACTED] adjusted fourth month's rent;
FIFTH month's rental payment \$27,784.44 minus prorated commission credit of [REDACTED] equals [REDACTED] adjusted fifth month's rent."

Continuation of SF2 GS-04B-59114, Paragraphs 4-18, see Pages 2 and 3.