

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

September 9, 2010

LEASE NO. **GS-04B-50101**

THIS LEASE, made and entered into this date by and between Whitaker Street Associates, a Georgia General Partnership

whose address is 25 Bull Street, 6th Floor
Savannah, GA 31401-2642

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 38,655 ANSI/BOMA Office Area Square Feet (44,453 Rentable Square Feet) of office space on 3rd through 6th floors in a building to be constructed on a site bounded by Whitaker Street, West St. Julian Street, Barnard Street, and West Bryan Street in Chatham County, tax parcel numbers 2-0004-20-001 and 2-0004-20-002, Savannah, GA 31401 as depicted on the demising floor plan labeled Exhibit "A" attached hereto and made a part hereof, together with sixty-two (62) structured, onsite, secured parking spaces. The Government leased space includes approximately 2,263 Rentable Square Feet of additional space provided at no additional charge for a total of 46,716 Rentable Square Feet."

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for ten (10) years firm with no termination rights. The Lessor shall deliver the premises to the Government substantially complete no later than **April 1, 2012.**"

"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 USF ²	MONTHLY RATE
4/1/2012 – 3/31/2022	\$1,541,630.04	\$34.68	\$39.89	\$128,469.17

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 ANSI/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 BOMA 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:

Whitaker Street Associates, a Georgia General Partnership
25 Bull Street, 6th Floor
Savannah, GA 31401-2642"

LESSOR: **Whitaker Street Associates, a Georgia General Partnership**

SIGNATURE

Jay W. Andrews

NAME OF SIGNER

Jay W. Andrews

ADDRESS

2 E. Bryan St., Suite 400, Savannah, GA 31401

IN THE PRESENCE OF (SIGNATURE)

Amanda M. Neidlinger

NAME OF SIGNER

Amanda M. Neidlinger

UNITED STATES OF AMERICA

SIGNATURE

William J. Kidwell

NAME OF SIGNER

William Justin Kidwell

OFFICIAL TITLE OF SIGNER

**GENERAL SERVICES
ADMINISTRATION
CONTRACTING OFFICER**

- "5. The DUNS number for Whitaker Street Associates is 961605016."
- "6. This lease may be renewed at the option of the Government, for the following terms and at the following rentals provided notice be given in writing to the Lessor at least 365 days before the end of the original ten (10) year term lease or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

<u>RENEWAL TERM</u>	<u>SHELL RATE per RSF</u>
Ten (10) years	\$30.00

Operating costs will continue into the renewal term at the year-ten (10) escalated rate. All lease language pertaining to operating costs and taxes during the original ten (10) year term will remain in force and effect during the renewal term."

- "7. The Lessor shall provide, for the entire term of the Lease, a Right of First Refusal to lease 10,947 RSF of space located on the 2nd floor of the building as shown on attached Exhibit A (the "2nd Floor Space"), in accordance with the following terms:
- A. Lessor shall notify the Government in writing if a qualified prospective third party tenant desires to lease the 2nd Floor Space, as evidenced by written proof signed by the third party tenant, and shall give the Government the right of first refusal to lease such space which the third party tenant desires.
 - B. The Government shall then have the right of first refusal for a ten (10) business day period after receipt of Lessor's written notice to elect to lease such 2nd Floor Space which the third party tenant desires.
 - C. In the event the Government elects to lease such 2nd Floor Space, the Government shall notify Lessor in writing within a ten (10) business day period, and an instrument (which will be in the form of an amendment of the Lease) shall be executed by Government no later than fifteen (15) business days after Lessor shall have submitted to the Government copies of such instrument for purposes of execution.
 - D. The term for such amendment of this Lease shall commence upon the earlier of the date such 2nd Floor Space is substantially completed and is made available for the Government's occupancy for the purposes of conducting its business or the date such third party tenant's lease would have commenced under its letter of intent and shall continue for the same term as the term of this Lease (it being the intent of the parties that the terms for the new space and the existing space be the same). In the event the 2nd Floor Space shall require leasehold improvements or modifications in order that the Government may conduct its business therein, Lessor shall provide the Government with an improvement allowance and time period in which to complete such improvements or modifications based on the terms and conditions offered by said third party.
 - E. Except as provided in (D) above, Lessor agrees to lease the 2nd Floor Space to the Government based on the same terms and conditions of the existing Lease and at the Rentable Square Foot (RSF) rates specified in the Lease for the primary premises.
 - F. In the event of failure by Government to exercise its right of first refusal hereunder or to enter into such amendment of this Lease within the time periods described herein, Lessor shall be free to lease such 2nd Floor Space to such qualified third party tenant.
 - G. In all other respects, the terms and conditions set forth in this Lease shall apply, and the 2nd Floor Space shall constitute a part of the premises."
- "8. The following are attached and made a part hereof:
- A. SF-2 Portion of the Lease
 - B. Continuation of SF-2, GS-04B-50101
 - C. Solicitation for Offers 9GA2143 dated January 15, 2010 including attachments [REDACTED] Office Design Guide and Master Specification
 - D. SFO Amendment No. 1 dated January 28, 2010
 - E. GSA Form 3517B (rev. 11/05)
 - F. GSA Form 3518 entitled Representation and Certifications (Rev. 1/07)
 - G. Demising floor plan labeled Exhibit "A"
 - H. Davis-Bacon Wage Rates"

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"9. 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 9GA2143.
- 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 9GA2143.
- C. **Revised Construction Schedule**

Design intent drawings shall be due from the Lessor no later than **December 15, 2010**.

The Government shall perform all reviews of design intent drawings no later than **January 25, 2011** after receipt of such from Lessor.

Should the Government require that modifications be made to the Lessor's design intent drawings before approval can be granted, the Government shall state as such in writing to the Lessor, and the Lessor shall cure all noted defects and return the design intent drawings to the Government for a subsequent review no later than **February 16, 2011**.

The Government shall approve cured design intent drawings no later than March 1, 2011. In the event that defects remain, the Government will state as such in writing along with its approval of the DIDs and the Lessor will authorize in writing that all remaining defects have been cured no later than **March 31, 2011**.

The Lessor's working/construction drawings shall be due to the Government no later than **April 1, 2011**.

The Government shall perform all reviews of construction documents no later than **April 25, 2011**.

Should the Government require that modifications be made to the Lessor's construction documents, the Government shall state such in writing to the Lessor, and the Lessor shall cure all noted defects and return the construction documents to the Government for a subsequent review by **May 17, 2011**.

The Government shall approve cured construction documents by May 31, 2011. In the event that defects remain, the Government will state as such in writing along with its approval of the construction documents and the Lessor will authorize in writing that all remaining defects have been cured by **June 22, 2011**.

After June 22, 2011, the Lessor must submit the written price proposal along with adequate cost and pricing data or the documentation of the competitive proposals no later than **October 1, 2011**.

A notice to proceed shall be transmitted to the Lessor no later than **November 1, 2011**, and the Lessor shall commence construction of the Tenant Improvements which shall be completed no later than **March 31, 2012**.

With any conflicts between the construction schedule dates stated herein and the construction schedule time-frames, which are depicted in number of working days in Section 5 (Design, Construction, And Other Post Award Activities) of SFO No. 9GA2143, the construction dates stated here in the SF2 shall prevail. Moreover, the construction schedule dates detailed herein only seek to revise the construction schedule time-frames in the SFO and not the SFO language.

- 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."

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- "10. The rental set forth in Paragraph 3 of this Lease Agreement for the period 4/1/2012 – 3/31/2022 includes all Tenant Improvements (TI). In accordance with Solicitation for Offers 9GA2143 Paragraph 3.3, *Tenant Improvement Rental Adjustment*, the TI allowance provided in the lease is \$35.350560 per ABOASF, or a total of \$1,366,475.90 amortized at an interest rate of 7% over ten (10) years yielding an annual cost of \$190,391.33 at a rate of \$4.28 per RSF (\$4.93 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 \$35.350560 per ABOASF (for up to 38,655 ABOASF), the balance due the Lessor will be paid by lump sum. If the entire TI allowance of \$35.350560 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. Paragraph 3.3 (Tenant Improvement Rental Adjustment) A. 3. 3) (*increase the rent according to the negotiated amortization rate over the firm term of the lease*) of SFO No. 9GA2143 is hereby deleted from the SFO and stricken from the Lease."
- "11. The following Tenant Improvement Fee Schedule is incorporated into this lease (Form 1364 dated 7/7/10, Box 26). The General Conditions fee is 8%; General Contractor's fee is 7%; Architectural fee is \$2.00 per ABOASF and Project Management fee is 5%."
- "12. In accordance with Solicitation for Offers 9GA2143 Paragraph 1.12 (Building Shell Requirements), the annual shell cost is established as \$1,088,915.71 yielding \$24.50 per RSF (\$28.17 per ABOASF) which is included in the rental rate in Paragraph 3 for period 4/1/2012 – 3/31/2022, years 1-10 of the lease."
- "13. The premises described in Paragraph 1 of the Standard Form 2 shall contain 38,655 ABOASF of office and related space, as identified in Solicitation for Offers 9GA2143."
- "14. In accordance with Solicitation for Offers 9GA2143 Paragraph 4.1, *Measurement of Space*, the common area factor (CAF) is established as 1.15 rounded or 15%, based on 44,453 RSF AND 38,655 ABOASF."
- "15. In accordance with Solicitation for Offers 9GA2143 paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 67.65% based on Government occupancy of 44,453 rentable square feet and total building area of 65,707 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."
- "16. In accordance with Solicitation for Offers 9GA2143 Paragraph 4.3, *Operating Costs*, the annual operating cost is established as \$262,323.00 yielding an escalation base of \$5.90 per rentable square foot (\$6.79 usable square foot) which is included in the rental rate in Paragraph 3 for the period 4/1/2012 – 3/31/2022, years 1-10 of the lease."
- "17. In accordance with Solicitation for Offers 9GA2143 Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$2.61 per RSF (\$3.00 per ABOASF)."
- "18. In accordance with Solicitation for Offers 9GA2143 Paragraph 4.6, *Overtime Usage*, the cost for overtime utilities, including areas requiring 24/7 HVAC, beyond the normal hours of operation is established as \$0.00 (no additional charge)."
- "19. In accordance with Solicitation for Offers 9GA2143 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 9GA2143 Paragraph 5.16, *Waiver of Restoration*, the Lessor hereby waives all restoration rights."
- "21. In accordance with Solicitation for Offers 9GA2143 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."

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- "22. In accordance with Solicitation for Offers 9GA2143 Paragraph 2.3, *Seismic Safety*, the Lessor shall provide Seismic Certification from a licensed engineer upon substantial completion of the building, **prior** to lease commencement."
- "23. In accordance with Solicitation for Offers 9GA2143 Paragraph 10.9, BUILDING SECURITY PLAN and Paragraph 10.25, [REDACTED] PROTECTION REQUIREMENTS, the Lessor shall provide a Pre-Lease Building Security Plan in compliance with the lease security standards. The Plan will be certified by a licensed engineer and submitted to the Government upon substantial completion of the building, **prior** to lease commencement."
- "24. In the event that any requirements of the SFO portion of this Lease conflict with the requirements of the SF2 or any Exhibits to this Lease, the requirements of the SF2 and the Exhibits shall control and govern."
- "25. The parties agree that the Government shall execute the Lease on or before September 10, 2010. If the Government does not execute the Lease by September 10, 2010 and deliver the same to Lessor by September 15, 2010, the Lease shall be of no force and effect and the terms of the Lease shall not be enforceable against either party."
- "26. In accordance with Solicitation for Offers 9GA2143 Paragraph 2.5, *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, ten (10) 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 9GA2143 Paragraph 2.5, *Broker Commission and Commission Credit*, 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]. 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] 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 \$128,469.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent;

Second Month's Rental Payment \$128,469.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent;

Third Month's Rental Payment \$128,469.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent."

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