

**US GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE:

NOV 12 2009

LEASE NO.

GS-04B-59118

THIS LEASE, made and entered into this date by and between **OAKWOOD PROPERTIES, LLC**

whose address is 301 S. Church Street, Suite 10, Station Square
Rocky Mount, NC 27804-1767

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 11,275 rentable (9,804 ANSI/BOMA office area) square feet of office and related space with 56 surfaced parking spaces to be constructed and located in the Hunter Hill Office Building, 1005 Hunter Hill Road, City of Rocky Mount, County of Nash, State of North Carolina, 27804-1767,

to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on July 1, 2010 through June 30, 2020, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows: See Page 3. Paragraph 9.

<u>TERM</u>	<u>ANNUAL RENT*</u>	<u>RATE Per RSF¹</u> (Rounded)	<u>RATE Per OASF</u> (Rounded)	<u>MONTHLY RENT</u> (Rounded)
07/01/10 - 06/30/15	\$304,312.25	\$26.99	\$31.04	\$25,359.35
07/01/15 - 06/30/20	\$226,780.18	\$20.11	\$23.13	\$18,898.35

Note 1. The rate per rentable square foot (RSF) is determined by dividing the total annual rent by the rentable square footage set forth in paragraph 1 above. The Shell Rate years 1-5 is determined to be \$14.76 per rsf (rounded).

Note 2. The rate per BOMA office area square foot (OASF) is determined by dividing the total annual rental by the BOMA office area square footage set forth in Paragraph 1. The Shell Rate years 1-5 is determined to be \$16.98 per oasf (rounded).

Note 3. The Shell Rate years 6-10 are determined to be \$14.76 per rsf (rounded), \$16.98 per oasf (rounded).

4. The Government may terminate this lease, in whole or in part, at any time on or after July 1, 2015, 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.

6. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RATE POSE</u>	<u>MONTHLY RATE</u>
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~~provided notice be given in writing to the Lessor at least _____ days before the end of the original lease term 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. Paragraph Deleted~~

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5. Rental is subject to the Government's measurement of plans submitted by the Lessor and/or a mutual on-site measurement of the space and will be based on the rate, per BOMA office area square foot (POASF) as noted in Paragraph 3 above, in accordance with Clause 26 (PAYMENT), GSA form 3517, General Clauses. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum BOMA office area square footage requested in SFO Paragraph 1.1, (Amount and Type of Space). Rent for a lesser period shall be prorated. Rent checks shall be made payable to

OAKWOOD PROPERTIES, LLC
301 S. Church Street, Suite 10, Station Square
Rocky Mount, NC 27804-1767

6. The Lessor shall furnish to the Government, as part of the rental consideration, the following:

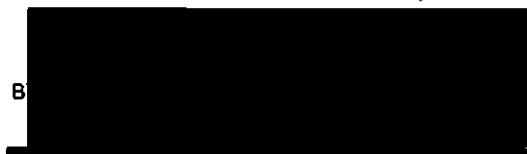
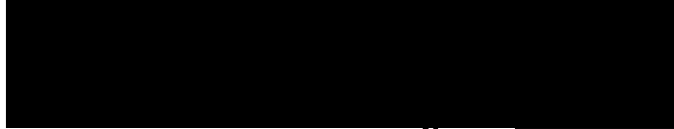
- A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers (SFO) 8NC2170.
- B. Build-out in accordance with Solicitation for Offers 8NC2170. All tenant alterations are to be completed within 120 working days from receipt of notice to proceed with agency approved working/construction drawings. Lease term is to be effective on the date of occupancy, if different from Paragraph 2.
- C. Deviations to the approved space layouts furnished by GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer or Representative.
- D. Lessor shall provide 56 on-site surface parking spaces for employees and visitors at no additional cost to the Government for parking in accordance with SFO 8NC2170.

7. The following are attached and made a part hereof:

- A. Solicitation for Offers 8NC2170,
- B. Commission Agreement
- C. GSA Form 3517B entitled General Clauses (Rev. 7/05),
- D. GSA Form 3518 entitled Representations and Certification (Rev. 1/07),
- E. SFO 8NC2170, Floor Plan Layout per plans submitted.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: **OAKWOOD PROPERTIES, LLC**

B  Manager _____
(Signature)
 _____
Rocky Mount, N.C.
(Address)

UNITED STATES OF AMERICA

BY  _____
KENNETH L. DAY, CONTRACTING OFFICER
GENERAL SERVICES ADMINISTRATION
(Official title)

8. In accordance with SOLICITATION FOR OFFERS 8NC2170, Paragraph 4.6 (Overtime Usage), the overtime usage is \$10.00 per hour to the Government. Normal hours of operation are established as 7:00am to 6:00pm, Monday through Friday.
9. Items as specified in SOLICITATION FOR OFFERS 8NC2170 are to be provided by the Lessor. Upon completion, inspection and acceptance by the Contracting Officer, the Government, at its sole discretion, may use all or part of the Tenant Alterations Allowance of \$334,199.14 amortized in the lease rental payments over the five year firm term (60 months) at 6% (\$6.88 prsf, \$7.91 poasf) (rounded), using end-of-month payments. In addition, the Government, at its sole discretion, may return to the Lessor any amount of the Tenant Alterations Allowance, in exchange for the Government's choice of free rent or a decrease in rent according to the amortization rate over the firm term of the lease as indicated in this lease.
10. Radon Certification must be furnished within 30 days after occupancy. Any corrective action must be completed within 30 days after tests are completed at no additional costs to the Government. If re-testing is required, results shall be forwarded to the General Services Administration Contracting Officer.
11. Any deviation from approved construction plans or tenant alterations require approval by the Contracting Officer or Contracting Officer's Designee. Should Lessor make changes without approval, the Government will not be responsible for the cost of those changes and Lessor will not be reimbursed.
12. In accordance with the SOLICITATION FOR OFFERS 8NC2170, Paragraph 4.1.C (Common Area Factor), the common area factor (CAF) is established as 15%.
13. In accordance with the SOLICITATION FOR OFFERS 8NC2170, Paragraph 4.3 (Operating Costs Base), are established as \$60,321.25 annually or \$5.35 per rentable square foot (rounded) (\$6.15 per BOMA office area square foot) (rounded).
14. In accordance with the SOLICITATION FOR OFFERS 8NC2170, Paragraph 4.4 (Adjustment for Vacant Premises), the rental rate reduction is established as \$5.35 per ANSI/BOMA square foot. If the Government partially vacates the leased premises before any lease term expires, the operating costs portion of the rental rate will not be reduced.
15. In accordance with the SOLICITATION FOR OFFERS 8NC2170, Paragraph 2.4 Broker Commission and Commission Credit (Nov 2006), the amount of [REDACTED] for the broker's fee is established. The amount of [REDACTED] (rounded) which is [REDACTED] of the [REDACTED] will be deducted from the shell portion of the rent until it has been refunded to the Government. This calculates to a rental reduction of [REDACTED] (rounded) per month for three months from the effective date of the lease [REDACTED] divided by 3). The broker's fee will remain constant regardless of the measurement of space and/or change orders unless there is a substantive change to the contract necessitating revision of the subject commission. The Lessor agrees to pay the Commission less the Commission Credit, to the Broker in accordance with the Commission Agreement incorporated 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 indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$25,359.35 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$25,359.35 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment \$25,359.35 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent."

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16. In accordance with SOLICITATION FOR OFFERS 8NC2170, Paragraph 4.2 (Tax Adjustment), the percentage of Government occupancy is established as 100% (Based on Government occupancy of 11,275 rentable square feet and total building area of 11,275 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 BOMA office area square feet stated in the SOLICITATION FOR OFFERS 8NC2170, and in accordance with GSAF 3517, GENERAL CLAUSES.

[REDACTED]

OAKWOOD PROPERTIES, LLC

[REDACTED]

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Handwritten initials/signature