

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY**

DATE OF LEASE

11/28/2011

LEASE NO.

Lease # GS-04B-61170

THIS LEASE, made and entered into this date by and between

PKY Fund II Charlotte I, LLC

whose address is

6701 Carmel Road, Suite 117  
Charlotte, NC 28226-3983

and whose interest in the property hereinafter described is that of

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 agrees as follows:

1. The lessor hereby leases to the Government the following described premises:

A total of 21,348 rentable square feet (RSF) of office and related space, which yields 18,595 ANSI/BOMA Office Area square feet (ABOASF) to be located on the 2nd and 4th floors, Suite 200 and Suite 400 of the Davie Building at 6701 Carmel Road, Charlotte, (Mecklenburg County) North Carolina 28226-3983, along with fifty six (56) surface parking spaces, to be used for such purposes as determined by the General Services Administration.

to be used for

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on

October 1, 2011 through September 30, 2016, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$

at the rate of \$ per rentable square foot (RSF) in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Paragraph 3 is deleted in its entirety and is replaced with Paragraph 9

4. The Government may terminate this lease at any time by giving at least 90 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.

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

Paragraph 5 is deleted in its entirety.

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.

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 9NC2150.

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 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.

C. 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 OASF as noted in Paragraph 9, in accordance with Clause 27 (PAYMENT), GSA Form 3517, General Clauses. The lease contract and the amount of rent will be adjusted accordingly.

D. Lessor shall provide fifty-six (56) surface parking spaces for Government use at no additional cost.

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

The General Provisions and Instructions

A. Continuation of Lease Contract No. GS-04B-61170 (pages 3-4)

B. Solicitation for Offers 9NC2150 dated 6/14/10; Amendment 1 dated 12/23/10; Amendment 2 dated 4/21/11; Amendment 3 dated 5/26/11; Floor Plans

C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05) (pages 1-33)

D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07) (pages 1-7)

8. The following changes were made in this lease prior to its execution:

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

LESSOR

SIGNATURE

SIGNATURE

NAME OF

NAME OF SIGNER

*Pragna T. Howell*

IN PRESENCE OF

SIGNATURE

SIGNATURE

NAME

NAME OF SIGNER

*Melvin J. Davis*

UNITED STATES OF AMERICA

NAME OF SIGNER

ROBERT E. SCOTT

OFFICIAL TITLE OF SIGNER

CONTRACTING OFFICER

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

TERM	SHELL PRSF	OP PRSF	TI PRSF	PRSF RATE	OASF RATE	ANNUAL SHELL RATE	ANNUAL OP RATE	ANNUAL RATE	MONTHLY
10/1/2011-9/30/2016	\$14.60	\$3.83	\$7.65	\$26.08	\$29.94	\$311,693.46	\$81,818.00	\$556,755.84	\$46,396.32

Rent for a lesser period shall be prorated. Rent checks should be made payable to:

PKY Fund II Charlotte I, LLC  
C/O Parkway Realty Services  
6701 Carmel Road, Suite 117  
Charlotte, NC 28226-3983

**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 Base Rent years 1-5 is determined to be \$311,632.40 per annum (\$14.60 per rsf rounded).

**Note 2.** The rate per ANSI/BOMA office area square foot (OASF) is determined by dividing the total annual rent by the ANSI/BOMA office area square footage set forth in Paragraph 1. The Base Rate years 1-5 is determined to be \$311,632.40 per annum (\$16.76 per oasf rounded).

10. The Government may terminate this lease in whole or in part at any time on or after September 30, 2014, by giving at least ninety (90) days' notice in writing to the Lessor and no rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

11. 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 rentable square foot (PRSF) as noted above, in accordance with Clause 23 (PAYMENT), GSA Form 3517, General Clauses. The lease contract and the amount of the rent will be adjusted accordingly. Rent for a lesser period shall be prorated. Rent checks should be made payable to:

PKY Fund II Charlotte I, LLC  
C/O Parkway Realty Services  
6701 Carmel Road, Suite 117  
Charlotte, NC 28226-3983

12. Rent includes a Tenant Improvement Allowance of \$695,267.05 to be amortized through the rent over 60 months at the rate of 6.5% resulting in \$163,224.38 per annum or \$13,602.03 monthly at \$7.65 per rentable square foot, \$8.78 per ANSI BOMA Office Area square feet.

13. In accordance with SFO paragraphs 2.3, *Seismic Safety For Existing Construction (Aug 2008)* and 9.2 *Automatic Fire Sprinkler System (Aug 2008)*, the rental set forth in Paragraph 9 of this Lease Agreement shall include material and installation for required seismic building upgrades and installation of sprinkler system, at no additional cost to the Government. Sprinkler system and seismic upgrades included in the shell rate. Seismic compliance required prior to occupancy, sprinkler system shall be completed by December 31, 2011.

14. In accordance with SFO Paragraph 2.4, *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 Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). 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. Due to the Commission Credit described in SFO 9NC2150, Paragraph 2.4, only [REDACTED], or [REDACTED] of the Commission, will be payable to CBRE. The remaining [REDACTED], or [REDACTED] which is the "Commission Credit", shall 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 time period practicable.

INITIALS: MA LESSOR & RS GOV'T


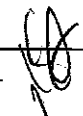
Notwithstanding Paragraph 3 of this Lease, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

First Month's Rental Payment \$46,396.32 minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent;

Second Month's Rental Payment \$46,396.32 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent.

- 15. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.14805051% (21,348 RSF / 18,595 ABOASF).
- 16. In accordance with SFO paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 16.58% (21,348 RSF / 128,754 RSF).
- 17. In accordance with SFO paragraph 4.3, *Operating Costs Base*, the escalation base is established as \$81,818.00 per annum (\$3.83 RSF, \$4.40 ABOASF rounded).
- 18. In accordance with SFO paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$1.00 / ABOASF for vacant space rental reduction of \$3.40 / ABOASF (\$4.40 - \$1.00).
- 19. In accordance with SFO paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$55.00 per hour, per floor, beyond the *Normal Hours* (Solicitation 9NC2150, Paragraph 4.6) of operation. Normal hours are Monday through Friday 7:00 AM to 6:00 PM. Areas requiring 24/7 HVAC will be provided at no additional cost (\$0.00) to the Government.
- 20. Daytime cleaning services requiring access to the Government's leased space shall be performed in accordance with SFO 9NC2150 Paragraph 4.8, *Janitorial Services* at no additional cost to the government.
- 21. In accordance with SFO paragraph 10.23, [redacted] *Protection Requirements (Nov 2005) (Building Shell)*, the rental set forth in Paragraph 9 of this Lease Agreement shall include material and installation of the aforementioned at no additional cost to the Government.
- 22. 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.

////////////////////////////////////// END OF SF-2 //

INITIALS:  LESSOR &  GOV'T