

10) Renewal Options:

Tenant shall have the right to renew the lease for two (2) additional three (3) year terms with a 90-day notice to the Landlord. The base rental rate shall increase by 6% at the commencement of each option period.

11) Early Termination Option

Tenant shall have the ongoing right to terminate this Lease early, upon at least eighteen (18) months prior written notice by Tenant to Landlord specifying the date of such early termination.

12) Signage:

Landlord reserve the right to approve Tenant's signage prior to installation. Tenant shall be allowed directory signage in the building lobby and at the suite entrance.

13) Services:

Landlord shall provide the following services without additional cost (other than same being included in Operating Expenses) to Tenant:

- Electricity as set forth in the Electrical Services section above
- Replacement of light bulbs and ballasts
- Hot and cold water for the Premises
- Elevator service
- Pest Control for the Premises
- Janitorial service set forth in a lease exhibit, including provision of paper/soap products to restrooms serving the Premises
- HVAC service, with the HVAC system being sufficient to maintain a temperature range of at least 68°F to 76°F with relative humidity within guidelines established by the American Society of Heating and Air Conditioning Engineers ("ASHRAE"). Landlord shall, at Tenant's request, provide after-hour HVAC use, understanding that charges to Tenant, if any, for after-hour HVAC usage shall be charged on the basis of Landlord's actual cost, which is currently \$35.00/hour. After-hours HVAC use is after 7:00 pm weekdays and during weekends. After-hours HVAC charges will not increase without 30 days' notice to Tenant.

14) Parking:

Parking ratio is 1 unreserved spaces per 585 rentable square feet of the Premises at no charge (7 cards). Parking is located in the deck immediately adjacent to the Building. Parking shall be available 24 hours a day, 7 days a week, 365 days a year, and is for use by Tenant, its employees, licensees and visitors.

15) Access/Security:

Building hours are 8:00 a.m. to 6:00 p.m. on weekdays. Tenant shall have access to the Premises and the use of electricity and water in the Premises 24 hours a day, 7 days a week, and 52 weeks a year. Landlord shall provide up to 10 access cards at no cost to Tenant. Tenant shall have use of the current Building security program (through a system currently in place and maintained by Landlord) and card-key access in elevators.

16) Assignment/ Subleasing:

Tenant reserves the right, with Landlord's written consent, which shall not be unreasonably withheld, to sublease the premises, or any part thereof, or assign the lease to a related entity or any successor of tenant's resulting from a merger or consolidation.

September 15, 2017
Fayetteville Cumberland Economic Development Corporation

Re: Letter of intent for the property located at 201 Hay St, Fayetteville, NC

Dear Mr. Trego:

We are pleased to present the following terms for your consideration regarding the property located at the Robert C. Williams Business Center at 201 Hay St in Fayetteville, NC:

1) Tenant:

Fayetteville Cumberland County Economic Development Commission

Landlord

The Public Works Commission

2) Building Information and Premises:

201 Hay St
Suite 401 A
Fayetteville, NC 28301

3) Space Size:

Suite 401 A & Conference Room: approximately 4,099+/- rentable square feet (See Exhibit A)

4) Permitted Use:

Permitted use shall be general office purposes and any other lawful purpose in keeping with the class and character of an office Building and compliance with zoning ordinances.

5) Initial Lease Term:

5 years following the rent commencement plus as many days as may be needed for the term to end on the last day of a calendar month.

6) Base Rental Rate:

The rental rate shall be as follows:

- During year 1 – the rental rate shall be \$8.00 per SF
- During year 2 – the rental rate shall be \$10.00 per SF
- During year 3 – the rental rate shall be \$12.00 per SF
- During year 4 – the rental rate shall be \$14.00 per SF
- During year 5 – the rental rate shall be \$16.00 per SF

If the property is sold to an unrelated entity, the rental rate shall increase to \$16.00 per SF, effective on the first day of the following month.

7) Lease Type:

Lease shall be a full-service lease.

8) Security Deposit:

\$5,465

9) Landlord Improvements:

None – Tenant to upfit at own expense

17) Surrender of Premises:

At the end of the term, Tenant may leave the premises in as-is condition, subject to reasonable wear and tear, and shall have no obligation to restore the premises to delivery condition or remove any cable and /or wiring.

18) Holdover:

During Holdover Period, the rent shall be 125% of the rent due during the previous lease year of the term.

19) Brokerage Disclosure:

Landlord is represented by Patrick Murray of Grant-Murray Real. Landlord shall pay the commission per the terms of a separate listing agreement.

20) Non-Binding:

The contents of this letter do not constitute and will not give rise to any legally binding obligation on the part of any of the parties. Moreover, no past or future action, course of conduct, or failure to act relating to the possible transaction, or relating to the negotiation of the terms of the possible transaction or any definitive lease agreement, will give rise to or serve as a basis for any obligation or other liability on the part of the parties, unless and until a fully executed lease is executed and delivered by each party to the other.

It is understood that there are other terms and conditions that shall need to be addressed in any final lease agreement. Any Lease shall be subject to final approval by tenant's senior management in addition to mutual execution and delivery of a written Lease. This request for proposal may be withdrawn at any time and in no way constitutes an offer to lease.

If the above terms and conditions are acceptable, please acknowledge your approval by executing this letter where indicated and returning it to the undersigned. This Letter of Intent does not constitute a binding contract, and no contract is intended to arise unless and until the Lease is entered into signed by both parties.

Should the terms of this Letter of Intent be acceptable, please sign below.

Landlord Acceptance of Terms of Occupancy

AGREED AND ACCEPTED THIS 19th DAY OF September 2017

TENANT:

By: Robert M. Van Leons

Its: President & CEO

Date: September 19, 2017

LANDLORD:

By: D.W.T.

Its: CEO/CM

Date: 09/27/17

