

GROUND LEASE AGREEMENT

BETWEEN

**THE STATE OF NORTH CAROLINA
(LESSOR)**

and

**GATEWAY UNIVERSITY RESEARCH PARK, INC.
(LESSEE)**

for

**JOINT MILLENNIAL CAMPUS
GREENSBORO, NORTH CAROLINA**

Dated: March 15, 2007

NORTH CAROLINA

GROUND LEASE AGREEMENT

GUILFORD COUNTY

This GROUND LEASE AGREEMENT (the "Lease") is entered into on the 15th day of March, 2007 by and between THE STATE OF NORTH CAROLINA (the "Lessor") and GATEWAY UNIVERSITY RESEARCH PARK, INC. (the "Lessee").

RECITALS

A. The Lessor is the owner of the Land (hereafter defined) situated in or near the City of Greensboro, Guilford County, North Carolina, together with certain existing Improvements (hereafter defined) situated thereon.

B. The Lessor desires to lease the Land and existing Improvements to the Lessee, and the Lessee desires to rent the Land and the existing Improvements pursuant to the terms contained within this Lease from the Lessor and to secure financing for the construction on the Land of certain additional Improvements to be hereafter determined, designed and constructed.

In consideration of the mutual covenants for this Lease, the Lessor and the Lessee agree as follows:

ARTICLE I
BASIC LEASE INFORMATION

1.1 Basic Lease Information. In addition to the terms that are defined elsewhere in this Lease, these terms are used in this Lease.

1.1.1 Lessor's Address:

State of North Carolina
c/o North Carolina Agricultural & Technical State University
Dowdy Administration Building
1601 East Market Street
Greensboro, NC 27411
Attention: Vice Chancellor for Business Affairs

And

c/o The University of North Carolina at Greensboro
P.O. Box 26170
Greensboro, NC 27402
Attention: Vice Chancellor for Business Affairs

1.1.2 Lessee's Address:

Gateway University Research Park, Inc.
5900 Summit Avenue
Browns Summit, NC 27214
Attn: Executive Director

1.1.3 Land. The two separate tracts or parcels of real estate, denominated the "North Campus" and the "South Campus" and collectively comprising the "Joint Millennial Campus," situated in or near the City of Greensboro, Guilford County, North Carolina, and more specifically described in Exhibit A attached hereto and incorporated herein by reference (the "Land").

1.1.4 Improvements. The improvements now or hereafter located on the Land, whether placed thereon by Lessor or Lessee (the "Improvements").

1.1.5 Premises. The Land and the Improvements existing thereon at the date of this Lease, together with all rights, privileges, easements and appurtenances in any way pertaining to the Land and the existing Improvements, including, without limitation, all easements for access and utilities over, upon or serving the Land, shall be known as the "Premises." As a part of the Lessor's commitment toward good stewardship of property owned by the Lessor, the Lessor requests that the Lessee support the sustainability efforts of the Lessor by applying best management practices in the use and development of the Premises.

1.1.6 Universities. North Carolina Agricultural & Technical State University and The University of North Carolina at Greensboro shall be the "Universities" referred to in this Lease. Whenever in this Lease provision is made for notice to, action by or the approval of the Universities, such provision shall be deemed to mean and refer to the Vice Chancellors for Business Affairs of both North Carolina Agricultural & Technical State University and The University of North Carolina at Greensboro, unless otherwise expressly noted.

1.2 Exhibits. The following exhibits are attached to this Lease and are made part of this Lease.

Exhibit A - Legal Description of Land.

ARTICLE II LAND, TERM AND USE

2.1 Premises. Upon the terms, provisions and conditions hereof, and each in consideration of the duties, covenants and obligations of the other hereunder, the Lessor hereby leases to the Lessee the Premises **TO HAVE AND TO HOLD** said Premises, together with all privileges and appurtenances thereunto belonging, to the Lessee, its successors and assigns, for the term and upon the conditions hereinafter set forth.

2.2 Term. Subject to the terms, provisions and conditions hereof, this Lease shall continue in force for a term (the "Term") of fifty (50) years, commencing December 1, 2006 (the "Commencement Date") or upon Lessee's later possession of the Premises and terminating fifty (50) years from the Commencement Date ("Initial Termination Date"). Lessee, in its sole discretion, may extend the Term of this Lease for two (2) successive periods of ten (10) years each (if such Term is extended as provided in this Section or if the Lessee elects not to exercise its Renewal Option (as defined below), the date of the termination of this Lease shall be known as the "Termination Date"), upon all of the terms set forth in this Lease (the "Renewal Option"). The Lessee may exercise such Renewal Option so long as the Lessee is not in default (beyond applicable cure periods) under this Lease at the time of any such election of the Renewal Option, and by giving the Lessor notice of each such election not later than the 180th day prior to the expiration of the then current Term of this Lease.

2.2.1 Ownership of Improvements; Surrender of Land. During the Term, ownership of the Improvements on the Premises shall be in the Lessee or its sublessees, as appropriate. Upon the expiration of the Lease, ownership of the Improvements on the Premises shall be in the Lessor. Throughout the Term, any liens, encumbrances, mortgages, or claims of third parties, including construction lenders and

permanent lenders, with respect to any interest in Land or Improvements that may be deemed owned by the Lessee or its sublessees shall be expressly subordinate and subject to the rights of the Lessor under this Lease, unless otherwise consented to by the Lessor under this Lease, such consent to be evidenced by the written approval of the Director of the State Property Office. During the Term, the Lessee shall be entitled to deduct all depreciation for the Improvements, and any additions, changes or alterations thereto.

2.2.2 Expiration of Lease. At the conclusion of the initial Term of this Lease or any renewal or extension thereof, the Lessee and its sublessees will promptly quit and surrender the entire Premises, which shall include the Land, as well as convey to the Lessor in fee simple absolute by special warranty deed, free and clear of all mortgages and liens, all the Improvements constructed or renovated by or on behalf of the Lessee or its sublessees on the Land, in good order, condition, and repair, ordinary wear and tear excepted, and in broom clean condition.

2.3 Use The Lessor's fundamental objectives in leasing the Premises, are to (1) enhance the teaching and research opportunities for the faculty and students of the Universities by providing them with a close association with educational, research or technologically-oriented entities and (2) foster economic growth and development opportunities for the region. Accordingly, the use of the Premises by the Lessee or its sublessees shall be restricted to either (a) research, education, development testing, fabrication and assembly in the fields of information technology, computer software/hardware development, advanced materials, engineering, biotechnology, environmental sciences, agriculture and life sciences and business management, (b) related light manufacturing, fabrication and assembly in conjunction with an ongoing research program with the Lessor or any of its constituent departments or state-supported educational institutions, (c) technology-related services (including but not limited to engineering, computer software, and consulting services), (d) academic facilities, (e) commercial and retail support services and (f) such other improvements that will enhance the teaching, research and service missions of the Lessor and the ability of the Lessee to attract sublessees that will foster economic development. The use of the Premises by the Lessee or its sublessees shall further conform to the *Joint Millennial Campus Physical Master Plan and Development and Design Guidelines* (the "JMC Master Plan") to be developed by the Lessee, approved by the Boards of Trustees of the Universities and made applicable to the Premises at or prior to the first sublease of any portion of the Premises by Lessee, which JMC Master Plan may thereafter be amended and/or restated upon proposal by the Lessee and approval by the Boards of Trustees of the Universities.

2.4 Assignment and Subleasing.

(a) Except as otherwise provided in this Lease with respect to a Permitted Mortgage, the Lessee shall not assign this Lease without the prior written consent of the Lessor, which consent shall not be unreasonably withheld or delayed. If the Lessee desires to assign this Lease, the Lessee shall first advise the Lessor in writing of the name of the proposed assignee, the proposed use of the Premises and such financial information as the Lessor may reasonably require applicable to the proposed assignee. The Lessee shall also accompany such request for consent with a copy of the proposed assignment and any other agreements to be entered into concurrently with such assignment. It shall not be unreasonable for the Lessor to withhold its consent to a proposed assignment if the reputation, financial responsibility or business of the proposed assignee is reasonably unacceptable to the Lessor or if the intended use of the Premises by the proposed assignee is not identical to the use of the Premises authorized by the provisions of this Lease. Neither an assignment of this Lease, nor the Lessor's consent thereto, shall release or discharge the Lessee from any liability, past or future, under this Lease. For the purposes of this subparagraph (a), an assignment shall include any transfer of this Lease, whether voluntary or involuntary or by operation of law, but shall not include an assignment made in conjunction with a Permitted Mortgage.

(b) Neither the Lessee nor any sublessee may sublet for a term of more than ten (10) years space within any Improvements now or hereafter located on the Land comprising the Premises, without

the prior written consent of the Lessor after approval by the Governor and Council of State. Neither the Lessee nor any sublessee may sublet pursuant to a sub ground lease any portion of the Land that is a part of the Premises for any term whatsoever without the prior written consent of the Lessor after approval by the Governor and Council of State. With the foregoing exceptions, either the Lessee or any sublessee may sublet the Premises or portions thereof without any requirement to obtain the Lessor's consent subject to the following conditions:

- (i) The use of the Premises by the sublessee shall comply with the use restrictions contained in Section 2.3 of this Lease;
- (ii) The Lessee shall not then be in default under this Lease;
- (iii) Any sublease shall provide that it is subject to the terms and conditions of this Lease and may, at the Lessor's option, require the sublessee to attorn to the Lessor;
- (iv) Neither any sublease nor the Lessor's implied or actual consent thereto shall release or discharge the Lessee from any liability, past or future, under this Lease;
- (v) The Lessee shall remain fully liable under this Lease upon notice in accordance with this Lease from Lessor of any default under this Lease;
- (vi) No subletting shall be for a term ending later than one (1) day prior to the expiration of the Term of this Lease;
- (vii) The Lessee shall deliver to the Lessor a duplicate original or a conformed copy of the sublease, along with evidence of the requirements of this Subparagraph (b) having been satisfied; and
- (viii) Such other criteria as may be implied by law.

(c) Lessee shall not assign any of its rights under this Lease separate from any assignment permitted under subparagraph (a) above, any subletting permitted under subparagraph (b) above or a Permitted Mortgage.

(d) The Lessee shall comply with N.C. Gen. Stat. §146-29.1 in all subleases to private entities established to operate for profit (i.e., all subleases to private entities established to operate for profit must be at or above the fair market rental rate for the premises so subleased).

2.5 Premises Rent. The Premises Rent shall be One and No/100 United States Dollars (\$1.00 USD) for the Term, including any extension of the Term pursuant to a Renewal Option.

ARTICLE III CONSTRUCTION OF IMPROVEMENTS

3.1 Plans and Specifications Review and Approval. The Lessee agrees to submit, and cause its sublessees to submit, complete architectural and engineering plans and specifications for the renovation or construction of any Improvements on the Premises for the prior review, but not approval, by (i) the State Construction Office and the North Carolina Department of Insurance if the construction costs for the contemplated Improvements exceed the dollar limitation set forth in N.C. Gen. Stat. §116-31.11 or (ii) the Universities in accordance with the authority delegated to the Universities by the Board of Governors of The University of North Carolina under The University of North Carolina Design and

Construction Guidelines (the "UNC System Guidelines") if the construction costs for the contemplated Improvements do not exceed the dollar limitation set forth in N.C. Gen. Stat. §116-31.11. In addition, the Lessee shall cause its sublessees to submit to the Lessee, for the Lessee's prior written approval, not to be unreasonably withheld or delayed, complete architectural and engineering plans and specifications for any Improvements to be made to the Premises by such sublessees, which plans and specifications shall be prepared by architects and engineers previously approved in writing by the Lessee.

3.2 Standard of Construction of Improvements. The Lessee, at the expense of the Lessee, shall cause the renovation or construction of Improvements to the Premises commissioned by the Lessee, and shall require its sublessees, at the expense of its sublessees, to cause the renovation or construction of Improvements to the Premises commissioned by a sublessee, to be completed in conformity with (i) the North Carolina State Building Code or the local building code, as applicable, and (ii) plans and specifications reviewed and/or approved for renovation or construction in accordance with Section 3.1 of this Agreement and (iii) in a good and workmanlike manner and in compliance with applicable laws and regulations, including, but not limited to, environmental laws and regulations and the Americans with Disabilities Act, 42 U.S.C. Sec. 1210, et seq., and the ADA Disability Guidelines promulgated with respect thereto. The plans and specifications reviewed and/or approved for renovation or construction of Improvements in accordance with Section 3.1 of this Agreement, as well as the renovation or construction of Improvements pursuant to this Section, shall also be subject to, and in compliance with, the JMC Master Plan to be adopted as more fully provided in Section 2.3 of this Lease and the *Joint Millennial Campus Construction Rules and Regulations for Third Party Construction Projects* ("JMC Construction Rules"), to be adopted by the Board of the Lessee at or prior to the first sublease of any portion of the Premises by the Lessee. Until such time as the JMC Master Plan and the JMC Construction Rules have been adopted, as more fully provided in Section 2.3 of this Lease and this Section 3.2, the Design and Construction Guidelines adopted by North Carolina Agricultural & Technical State University pursuant to the authority delegated to the Universities under the UNC System Guidelines shall govern the review and/or approval for renovation or construction of Improvements in accordance with Section 3.1 of this Lease, as well as the renovation or construction of Improvements pursuant to this Section. The Lessee, for all Improvements to be constructed by it, or any sublessee for Improvements to be constructed by it, shall, at the expense of the Lessee or its sublessee, as appropriate, obtain all necessary and appropriate governmental licenses, permits and approvals, including, without limitation, all necessary and appropriate grading and building permits, environmental licenses, permits and approvals and other construction permits and approvals required by federal, state or local law. All regulatory fees (including acreage fees, development fees, tap fees, and the like) solely applicable to the Premises levied by governmental authorities shall be paid by the Lessee or its sublessees, as appropriate.

The Lessee or its sublessees shall be responsible for the installation of all roads and utilities required to serve the Premises. During the Term, the Lessor shall grant to the Lessee, from any adjacent land under the ownership or control of the Lessor, and as may be reasonably required to serve the Premises and following all necessary prior governmental approvals, all easements and rights of way as required for the construction of roads and utilities, provided the Lessor shall approve the location of said easements and rights of way. Based on the alignment provided by the Lessor, the Lessee or its sublessees shall construct roads and/or utilities serving the Premises. Notwithstanding the forgoing, the Lessor may, in its sole discretion and at its own expense, remove or relocate any easement and right of way described herein, and the road or utilities located therein, provided that such removal or relocation is reasonable, is made upon reasonable notice to, and in coordination with, the Lessee and does not impair the use and operation of the Premises.

The Lessee and its sublessees, as applicable, may individually negotiate contracts for the design, renovation and/or construction of Improvements to the Premises and need not conform to public bid requirements in contracting for the design, renovation and/or construction of Improvements to the Premises. However, contractors employed in the design, renovation and/or construction of the Improvements to the Premises shall be required to follow the program adopted by the General