

US GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE

11/04/2010

LEASE NO. GS-04B-50124

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

Argus Realty Investors

Whose
address isc/o Thompson National Properties
1900 Main Street
Irvine, CA 92614

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 37,400 rentable square feet (RSF), consisting of 34,000 ANSI/BOMA Office Area Square Feet (ABOASF) of office and related space on the first (1st), fourth (4th), fifth (5th), sixth (6th), ninth (9th), and eleventh (11th) floors of a thirteen-story building, plus eight (8) reserved, secured parking spaces, located at ARI Riverview Plaza, LLC, 63 South Royal Street, Mobile, Mobile County, AL 36602-3245.

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 June 1, 2011 through May 31, 2021 subject to termination and renewal rights as may be hereafter set forth

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	MONTHLY RATE
June 1, 2011 – May 31, 2016	\$1,069,266.00	\$28.59	\$31.45	\$89,105.50
June 1, 2016 – May 31, 2021	\$780,538.00	\$20.87	\$22.96	\$65,044.83

Note 1. The rate per rentable square foot (RSF) is determined by dividing the total annual rental by the rentable square footage set forth in Paragraph 1 above.

Note 2. The rate per ABOASF is determined by dividing the total annual rental by the ABOASF set forth in Paragraph 9.

4. The Government may terminate this lease, in whole or in part, at any time on or after May 31, 2016, by giving the Lessor at least one hundred twenty (120) 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 date of mailing.
5. ~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

TERM	ANNUAL RENT	RATE per RSF	RATE per	MONTHLY RATE
DELETED	DELETED	DELETED	DELETED	DELETED

~~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. 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 ABOASF as noted in Paragraph 3 above, in accordance with Clause 27 (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 SFO Paragraph 1.1 (Amount and Type of Space). Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Argus Realty Investors
c/o Thompson National Properties
1900 Main Street
Irvine, CA 92614

7. 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) No. 9AL2089.
- B. Buildout in accordance with Solicitation for Offers 9AL2089. Construction Drawings (CDs) shall be prepared by the Lessor and due to the Government within twenty-five (25) working days subsequent to receipt of Government approved Design Intent Drawings (DIDs). All tenant alterations are to be completed within forty-five (45) working days of receiving notice to proceed from the Government with agency approved working/construction drawings. Lease term to be effective and rental to begin on date of occupancy, if different from Paragraph 2.
- C. Deviations to the approved DIDs furnished by the Government to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
- D. Lessor shall provide eight (8) reserved, secured parking spaces at no additional cost to the Government.

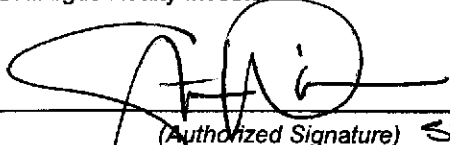
8. The following are attached and made a part hereof:

- A. SFO #9AL2089, Dated October 2009
- B. Special Requirements: [REDACTED] Design Guide".
- C. GSA Form 3517B entitled General Clauses (Rev. 11/05).
- D. GSA Form 3518 entitled Representations and Certifications (Rev. 1/07).
- E. Exhibit A: Floor Plan

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

LESSOR: Argus Realty Investors

BY

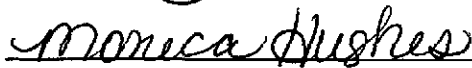


(Authorized Signature)

SVP

(Signature)

IN THE PRESENCE OF:



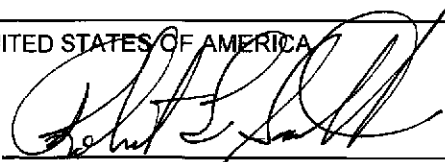
(Signature)

1900 MAIN STREET, SUITE 700
IRVINE, CA 92614

(Address)

UNITED STATES OF AMERICA

BY




(Signature)

ROBERT SCOTT, CONTRACTING OFFICER
GENERAL SERVICES ADMINISTRATION


(Official title)

9. The premises described in Paragraph 1 of this Standard Form 2 shall contain 34,000 ABOASF of office and related space, as identified in SFO No. 9AL2089.
10. The rental rate in Paragraph 3 for the period June 1, 2011 through May 31, 2021 includes all Tenant Improvements (TI). In accordance with Paragraph 3.2 of SFO No. 9AL2089, the TI allowance provided in the lease is \$36.61 per ABOASF, or a total of \$1,244,740.00 amortized at an interest rate of six percent (6%) over the five (5) year firm term yielding an annual cost of \$288,771.74 at a rate of \$8.49 per ABOASF (\$7.72 per RSF). The TI allowance will be used to construct the interior space in accordance with the approved DIDs provided by the Government. If the TI cost exceeds \$36.61 per ABOASF (for up to 34,000 ABOASF), the balance due the Lessor will be paid by rental adjustment or lump sum, to be determined by the Government. If the entire TI allowance of \$36.61 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 a minimum of two (2) bids for work completed as a part of the initial tenant alterations, e.g., for electrical, plumbing, etc. The lowest responsive bid will be accepted.
11. In accordance with Paragraph 1.12 (Building Shell Requirements) of SFO No. 9AL2089, the annual shell cost is established as \$599,896.00 yielding \$17.64 per ABOASF (\$16.04 per RSF) which is inclusive of the rental rate in Paragraph 3 for the period June 1, 2011 through May 31, 2021.
12. In accordance with Paragraph 4.1 C. (Measurement of Space) of SFO No. 9AL2089, the common area factor (CAF) is established as 15% or 1.15, based on 37,400 RSF and 34,000 ABOASF.
13. In accordance with Paragraph 4.2 (Tax Adjustment) of SFO No. 9AL2089, the percentage of Government occupancy is established as 22.80% (based on total building area of 164,020 RSF and the Government's occupancy of approximately 37,400 RSF). 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.
14. In accordance with Paragraph 4.3 (Operating Costs) of SFO No. 9AL2089, the annual operating cost is established as \$180,670.00 yielding an escalation base of \$5.31 per ABOASF (\$4.83 per RSF), which is inclusive of the rental rate in Paragraph 3 for the period June 1, 2011 through May 31, 2021.
15. In accordance with Paragraph 4.4 (Adjustment for Vacant Premises) of SFO No. 9AL2089, the rental rate reduction is established as \$0.00 per ABOASF (\$0.00 per RSF).
16. In accordance with Paragraph 4.6, (Overtime Usage) of SFO No. 9AL2089, the hourly overtime usage for the entire space is established as \$35.00 per hour.
17. In accordance with Paragraph 5.16 (Waiver of Restoration) of SFO No. 9AL2089, the Lessor hereby waives all restoration rights.
18. In accordance with Paragraph 9.7 (Radon in Air) of SFO No. 9AL2089, before occupancy the Lessor shall test the leased space for 2 days to 3 days. After the initial testing, a follow-

INITIALS:


Lessor

&


Gov't

up test for a minimum of 90 days, shall be completed. Any corrective action must be completed within 30 days after tests are completed at no additional cost to the Government. Re-testing is required with results forwarded to the Contracting Officer.

19. 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.
20. All fire and life-safety deficiencies must be corrected prior to occupancy and at no extra cost to the Government, including but not limited to the following as required by SFO No. 9AL2089.
21. All handicapped accessibility deficiencies must be corrected prior to occupancy and at no extra cost to the Government, including but not limited to the following as required by SFO No. 9AL2089.
22. Within five (5) days after lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be rectified immediately.
23. In accordance with SFO No. 9AL2089, Paragraph 2.6, the Lessor and the Broker have agreed to a cooperating lease commission of four percent [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, 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 which equates to [REDACTED] is to be paid to the broker as follows: The Lessor agrees to pay the commission less the Commission Credit to the Broker in accordance to Paragraph 2.6, "Broker Commission and Commission Credit," (fifty percent (50%) of the commission shall be due upon execution of the Lease, and the remaining fifty percent (50%) shall be due at occupancy.

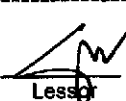

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted monthly rent.

First Month's Rental Payment of \$89,105.50 minus the prorated Commission Credit of [REDACTED] equals the adjusted First Month's Rent of [REDACTED].

Second Month's Rental Payment of \$89,105.50 minus the prorated Commission Credit of [REDACTED] equals the adjusted Second Month's Rent of [REDACTED].

-----LAST ITEM-----

INITIALS:

 & 
Lessor Gov't