

<b>GENERAL SERVICES ADMINISTRATION</b> PUBLIC BUILDINGS SERVICE <b>SUPPLEMENTAL LEASE AGREEMENT</b>	SUPPLEMENTAL AGREEMENT <b>NO.1 pg 1 of 3</b>	DATE <b>8/19/11</b>
	TO LEASE NO <b>GS-04B-50006</b>	

ADDRESS OF PREMISES Coffee Creek International Business Center  
 1901 Cross Beam Drive, Charlotte, NC 28217-2852  
 Charlotte, North Carolina

THIS AGREEMENT made and entered into this date by and between **Charlotte Portfolio of Three LLC**

whose address is 19762 MACARTHUR BLVD Suite 300  
 IRVINE, CA. 92612-2498

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereafter called the Government:  
 WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective August 1, 2011, as follows:

**Paragraph 1 is amended to read:**

"The Lessor hereby leases to the Government the following described premises:

A total of 26,271 Rentable Square Feet (RSF) of office and related space which yields 22,844.00 ANSI/ BOMA office area square feet (ABOA) at Coffee Creek International Business Center, 1901 Cross Beam Drive, Charlotte, North Carolina 28217-2852 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 20 parking spaces.

Effective December 1, 2011 upon inspection and acceptance of the Tenant Improvement buildout the Lessor hereby leases to the Government a total of 27,357 Rentable Square Feet (RSF) of office and related space (includes 6,862 RSF of Warehouse space) which yields 27,357 ANSI/ BOMA Office Area square feet (ABOA) at Coffee Creek International Business Center, 1901 Cross Beam Drive, Charlotte, North Carolina 28217-2852 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 20 parking spaces.

**Paragraph 2 is amended to read:**

TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on August 01, 2011 and continuing through September 30, 2021, subject to termination and renewal rights as may be hereinafter set forth.

**All other terms and conditions of the lease shall remain in force and effect.**

IN WITNESS WHEREOF, the undersigned do hereby certify that they are as of the above date.

**LESSOR: Charlotte Portfolio of Three LLC**

BY \_\_\_\_\_

IN PRESENCE OF \_\_\_\_\_

Authorized Signatory  
 (Title)

19762 MacArthur Blvd. #300  
 (Address)  
Irvine, CA 92612

**Alvin P. Jackson**, Contracting Officer  
 GENERAL SERVICES ADMINISTRATION  
 (Official Title)

**Paragraph 3 is amended to read:**

Effective August 1, 2011 the Government shall pay the Lessor annual rent of \$194,732.65 (\$7.14 RSF yielding \$8.52/BOSF) at the rate of \$16,227.72 per month in arrears through November 30, 2011.

Effective December 1, 2011 upon completion and acceptance of the Tenant Improvement buildout the Government shall pay the Lessor an annual rent of \$517,594.44 (\$18.92 RSF yielding \$18.92/BOSF) at the rate of \$43,132.87 per month in arrears for years 1 through 5 and \$352,084.59 (\$12.87/ RSF yielding \$12.87/BOSF) at the rate of \$29,340.38 per month in arrears for years 6 through 10. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

CHARLOTTE PORTFOLIO OF THREE LLC  
19762 MACAURTHUR BLVD. STE. 300  
IRVINE, CA 92612-2498

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RSF/ABOA</u>	<u>PRSF</u>	<u>Monthly</u>
08/01/11 – 11/30/2011	\$194,732.65	26,271/22,844	\$7.14	\$16,227.72
12/01/11 – 11/30/2016	\$517,594.44	27,357/27,357	\$18.92	\$43,132.87
12/01/16 – 11/30/2021	\$352,084.59	27,357/27,357	\$12.87	\$29,340.38

Rates PRSF, PABOA and Monthly are rounded on ALL tables.

**Paragraph 4 is amended to read:**

The Government may terminate this lease in whole or in part at any time on or after November 30, 2016 by giving at least 60 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.

**Paragraph 7 is amended to read:**

In accordance with the SFO paragraph 3.3 entitled Tenant Improvement Rental Adjustment, the maximum Tenant Improvement Allowance \$786,513.75 (27,357 USF x \$28.75) shall be amortized over 5 years at 8.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$191,371.95."

**Paragraph 13, ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY is added to the lease as follows:**

Twenty (20) days prior to the completion of interior construction, the Lessor shall issue written notice to the Government to inspect the space. The Government shall have ten (10) working days to inspect and to either accept or reject the subject space.

- A. Substantially completed space will be accepted by the Government subject to the completion of minor punch list items (see the Definitions paragraph of GSA Form 3517, General Clauses). Space which is not substantially complete will not be accepted by the Government. Should the Government reject the Lessor's space as not substantially complete as defined herein, the Lessor shall immediately undertake remedial action and when ready shall issue a subsequent notice to inspect to the Government.
- B. The Lessor shall provide a valid Certificate of Occupancy, issued by the local jurisdiction, for the intended use of the Government and shall maintain and operate the building in conformance with current local codes and ordinances. If the local jurisdiction does not issue Certificates of Occupancy, the Lessor shall obtain the services of a licensed fire protection engineer to verify the offered space meets all applicable local codes and ordinances to ensure an acceptable level of safety is provided.

**Paragraph 14, RENT COMMENCEMENT is added to the lease as follows:**

The rent commencement date (for each increment) shall be the date that space acceptance is made by the Government. Any rental paid by the Government prior to actual occupancy shall be less the cost for

Lessor KM GOVT [Signature]



services and utilities. In any event, the Government will not be required to accept space and commence rent prior to the original date as indicated in December 1, 2011.

**Paragraph 15, CONSTRUCTION INSPECTIONS (AUG 2008) is added to the lease as follows:**

- A. Construction inspections will be made periodically by the Contracting Officer and/or designated technical representatives to review compliance with the SFO requirements and the final working drawings.
- B. Periodic reviews, witnessing of tests, and inspections by the Government are not to be interpreted as resulting in any approval of the Lessor's apparent progress toward meeting the Government's objectives but are intended to discover any information which the Contracting Officer may be able to call to the Lessor's attention to prevent costly misdirection of effort. The Lessor shall respond in writing to the GSA Contracting Officer regarding the Government's comments resulting from the subject reviews, test, and inspections. The Lessor shall remain completely responsible for designing, constructing, operating, and maintaining the building in full accordance with the requirements of this solicitation.

**Paragraph 16, FLOOR PLANS AFTER OCCUPANCY (DEC 2005) is added to the lease as follows:**

- A. Paper Medium: Within fifteen (15) days after occupancy, as built reproducible full floor plans, scaled at 1/8" = 1' 0", showing the space under lease, as well as corridors, stairways, and core areas, shall be provided to the Contracting Officer.
- B. Electronic Medium: Computer Aided Design (CAD) files of as built floor plans showing the space under lease, as well as corridors, stairways, and core areas, shall be provided to the Contracting Officer. The plans shall have been generated by a CAD program which is compatible with the latest release of AutoCAD. The required file extension is .DWG. Clean and purged files shall be submitted on CD ROM. They shall be labeled with building name, address, list of drawing(s), date of the drawing(s), and Lessor's architect and phone number. The Lessor's operator shall demonstrate the submission on GSA equipment, if requested by the Contracting Officer.

**Paragraph 17, LIQUIDATED DAMAGES (AUG 2008) is added to the lease as follows:**

In case of failure on the part of the Lessor to complete the work within the time fixed in the lease contract, the Lessor shall pay the Government as fixed and agreed liquidated damages, pursuant to this paragraph, the sum of one day's worth of rent for each and every calendar day that the delivery is delayed beyond the date specified for delivery of all the space ready for occupancy by the Government. This remedy is not exclusive and is in addition to any other remedies which may be available under this lease or at law. This liquidated sum is not meant as a penalty, but as an approximation of actual damages that would be suffered by the Government as a result of the Lessor's delay.

Lessor KM GOVT 