

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-04B-61189

THIS LEASE, 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

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 agrees as follows:

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

A total of 2,384 rentable square feet (RSF) of office and related space, which yields 2,346 ANSI/BOMA Office Area square feet (USF) of space at Coffee Creek International Business Center, 1809 Associates Lane, Suite C, Charlotte, NC 27217-2852, and as outlined on the floor plan of the demised premises attached hereto as Exhibit A. Included in the rent at no additional cost to the Government are THREE (3) parking spaces for exclusive use of Government employees.

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

September 1, 2011 through August 31, 2021, 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 in arrears.

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

PARAGRAPH 3 IS DELETED IN IT'S ENTIRETY AND REPLACE WITH PARAGRAPH 9.

4. The Government may terminate this lease at any time by giving at least Ninety (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 HEREBY DELETED IN IT'S 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:

The Lessor shall furnish to the Government, as part to the rental consideration, the following:

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9NC2148 dated January 3, 2011, as amended.

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 stated in the Solicitation for Offers 0NC2021 and the design intent drawings.

C. Build out shall be in accordance with Solicitation for Offers 9NC2148 and Government approved design intent drawings.

D. Deviations to the approved space layouts furnished by the GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

E. Lessor shall provide at no additional cost to the Government THREE (3) parking spaces for exclusive use of Government employees.

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

The General Provisions and Instructions

A. Solicitation for Offers 9NC2148 dated January 3, 2011

B. Agency Special Requirements

C. GSA Form 3517b entitled GENERAL CLAUSES (Rev. [11/05])

D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07])

E. Exhibit A, 1803 Associates Lane-C Floor Plans (offered space)

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

Amendment 1 dates March 11, 2011 - regarding project number change on SFO

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

LESSOR

SIGNATURE	[Redacted]	SIGNATURE	
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NAME OF SIGNER	Katie McKenna	NAME OF SIGNER	
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IN PRESENCE OF

SIGNATURE	[Redacted]	SIGNATURE	
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NAME OF SIGNER	Cecilia Pinedo	NAME OF SIGNER	
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UNITED STATES OF AMERICA

SIGNATURE	[Redacted]	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	Annual Shell Rent	Shell Rent /RSF	Operating Rent	Operating Rent/RSF	Amortized TI	Amortized TI/RSF	Annual Rent	Annual Rent/RSF	Monthly Rent
Sept 1, 2011 – Aug 31, 2016	\$23,053.28	\$9.67	\$7,485.76	\$3.14	\$19,698.40	\$8.26	\$50,237.44	\$21.07	\$4,186.45
Sept 1, 2016 – Aug 31, 2021	\$ 25,771.04	\$10.81	\$7,485.76	\$3.14	\$ -	\$ -	\$33,256.80	\$13.95	\$2,771.40

The above annual rent is inclusive of the base annual operating rental rate indicated in Paragraph 15 of this lease contract

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

Charlotte Portfolio of Three LLC
19762 MacArthur Blvd
Suite 300
Irvine, CA 92612-2498

11. The Government may terminate this lease at any time on or after September 1, 2016 by giving at least NINETY (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.

12. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 9NC2148 dated January 3, 2011, as amended.

B. Build out in accordance with standards set forth in SFO 9NC2148 dated January 3, 2011, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.

C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

13. In accordance with the SFO paragraph 3.4 GSA FORMS AND PRICING INFORMATION (AUG 2008), f, The annual amortized cost of the Tenant Improvement Allowance, tenant improvements in the total amount of \$80,957.83 (2,346 USF x \$34.508879 shall be amortized through the rent for FIVE (5) years at the rate of 8.0%. The total annual cost of Tenant Improvements for the amortization period shall be \$19,698.40 (2,346 USF x \$8.26)

14. In accordance with the SFO paragraph 4.2 TAX ADJUSTMENT (AUG 2008), B. Definitions, 9. "Percentage of Occupancy" the percentage of Government occupancy is established as 14.75%.

15. In accordance with the SFO paragraph 4.3 OPERATING COSTS (SEP 2009). the escalation base is established as \$7,485.76 (2346 x \$3.19/USF).

16. In accordance with the SFO paragraph 4.1 MEASUREMENT OF SPACE (AUG 2008), C. COMMON AREA FACTOR: the common area factor is established as 1.0161 (2,384 RSF/2,346 USF).

17. In accordance with the SFO paragraph 4.4 ADJUSTMENT FOR VACANT PREMISES, GSAR 552.270-16 (VARIATION) (DEC 2005), the adjustment is established as \$3.18/USF for vacant space (rental reduction).

18. In accordance with the SFO Paragraph 4.6 entitled *OVERTIME USAGE (AUG 2008)*, the rate for overtime usage is established as \$0.00 (no overtime usage charge) per hour for the entire building or any portion thereof.
19. In accordance with SFO Paragraph 2.3 entitled *BROKER COMMISSION AND COMMISSION CREDIT (NOV 2006)*, AmeriVet Real Estate Services Inc. ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and AmeriVet Real Estate Services Inc. 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]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in SFO Paragraph 2.3 entitled *BROKER COMMISSION AND COMMISSION CREDIT (NOV 2006)*, only [REDACTED], which is [REDACTED] of the Commission, will be payable to AmeriVet Real Estate Services Inc. when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing 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 until the credit has been fully recaptured.
20. A GSA Real Estate Commission Rental Credit in the amount of \$4,019.04 shall be applied to the initial Three (3) months of shell rent as follows:

Month	Shell Rent	Rent Credit	Operating Rent and Tenant Improvement	Total Monthly Rent
1	\$1,921.11	< [REDACTED] >	\$2,264.80	[REDACTED]
2	\$1,921.11	< [REDACTED] >	\$2,264.80	[REDACTED]
3	\$1,921.11	< [REDACTED] >	\$2,264.80	[REDACTED]

The Lessor hereby waives restoration.

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