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Tenant's Final, March 27, 2017

Mr. Jubal Early  
Senior Vice President  
Lincoln Harris  
4725 Piedmont Row Drive  
Charlotte, NC 28210

**RE:** Proposal to Charlotte Radiology – 700 E. Morehead Street

Thank you for your request for proposal on behalf of your client. On behalf of our client, we are pleased to offer the below Letter of Intent:

**LANDLORD:** Morehead Beachfront, LLC; Morehead LKN, LLC; and 7EM, LLC (collectively, "Landlord" and "Owner")

**TENANT:** Charlotte Radiology, P.A.

**BUILDING:** 700 E. Morehead Street, Charlotte, NC 28202

**PREMISES:** The full 3rd & 4th floors – 22,000 rentable square feet (RSF)  
Note that the building provides great efficiencies as the usable square footage is measured at 10,809 usable square feet.

**LEASE TERM:** Ten (10) years with two (2), five year options to renew at "market" terms as further defined in the Lease. Tenant will provide at minimum twelve (12) months' notice in order to exercise its option.

**COMMENCEMENT:** October 1, 2017. Landlord will deliver the Premises no later than June 30, for Tenant to begin any contemplated improvements to the Premises.

**BASE RENTAL RATE:** The Base Rental Rate will be \$31.00 per RSF, full service, escalating 2.75% per lease year.

**OPERATING EXPENSE & REAL ESTATE TAX ESTIMATES:** After January 1, 2018, Tenant will be responsible for its proportionate share of any operating expense increases above Base Year 2017.

The 2016 Operating Expenses were budgeted at \$8.64 per RSF. A detailed line item budget will be provided under separate cover. Increases in "Controllable Expenses", excluding property insurance and real estate taxes and as further defined in

the Lease, shall be capped at 5% annually on a cumulative and compounding basis.

**TENANT  
IMPROVEMENT  
ALLOWANCE:**

Landlord shall provide Tenant with a Tenant Improvement Allowance of \$15.00 per RSF for improvements to the Premises. The Allowance may be used by Tenant for all costs associated with the renovation and occupancy of the Premises with up to twenty percent (20%) of the allowance designated towards soft costs including but not limited to: Design and Construction costs, IT infrastructure, exterior/interior signage, Furniture, Fixture and Equipment, move management and all other move-related, reasonable expenses that Tenant may incur. Tenant has one year from Lease Execution date to spend the Allowance.

Should Landlord or its designee oversee the improvements, then a market supervision fee of 2% of the cost of construction shall apply.

Landlord does not own the furniture within the Premises, but will use commercially reasonable efforts to provide existing furniture within the Premises, less approximately 20 chairs and personal property, to Tenant at no cost to Tenant. The current tenant has expressed a willingness to provide the remaining FF&E, and an inventory is being completed currently.

**PARKING:**

The building provides convenient parking to both tenants and visitors with 113 total parking spaces. There are 9 designated visitor and handicap parking spaces located on grade at the main entrance to the building. Tenant's proportionate share of parking totals 69 spaces. As part of this ratio, Tenant may have 6 reserved spaces located on P2. Parking is available on a first come, first served basis. Management will as necessary police the use of the parking facility. Landlord will review and approve Tenant's floor plan understanding approximately 80 seats will be included in the design.

**COMPLIANCE WITH  
LAWS/ADA:**

To Landlord's actual knowledge without any level of inquiry, investigation or diligence, as of the date of this Proposal, Landlord has not received any written notice from any applicable governing authority that the Building is not in compliance with applicable laws, including ADA.

**USE OF PREMISES:**

General Office, to be further defined in the lease agreement.

Tenant will have access to the Premises, and electricity to the Premises, 24 hours per day, 7 days per week, except in the case of a building emergency or scheduled shut down for

maintenance.

**BASE BUILDING**

**HVAC:**

The building's standard hours of operations are 8:00am – 6:00pm Monday through Friday, 8:00am – 1pm by request on Saturdays, excluding holidays (which shall be further defined in the lease).

**AFTER HOURS HVAC:**

Costs for After Hours HVAC shall be solely borne by Tenant and shall be a market cost currently \$40/hour. Notwithstanding the foregoing, Tenant will be provided with twenty (20) hours per month of free after hours HVAC as scheduled with the management office.

**BROKERAGE:**

Tenant is represented by Jubal Early and Marshall Williamson of Lincoln Harris and Landlord is represented by Jessica Brown of Cushman & Wakefield in this lease transaction. Should a lease be fully executed between the parties, a commission will be paid by the Landlord, per a separate commission agreement. A commission statement will be provided under separate cover.

**INSURANCE:**

Mutually agreeable language will be addressed in the lease document.

**NON-DISTURBANCE:**

Mutually agreeable language will be negotiated in the lease document.

**ASSIGNMENT &  
SUBLETTING:**

Tenant will have the right to sublease the Premises with Landlord's prior approval, not to be unreasonably withheld or delayed, so long as proposed subtenant has an equal or greater net worth to Tenant. Additional language regarding assignment rights will be addressed in the lease document.

**HOLDOVER:**

Holdover rent will be charged at 125% of the next escalated rate.

**SIGNAGE:**

Tenant will have the right to install prominent signage as similarly displaced by Elliot Davis on the existing monument on Morehead. Installation and maintenance will be at Tenant's cost. Signage will comply with city ordinances and will be subject to Landlord's approval, not to be unreasonably withheld or delayed.

**EQUITY:**

Landlord is offering Tenant's principals or group thereof the opportunity to purchase equity in the asset. Landlord confirms that the ownership structure is "Tenants in Common" which will allow Tenant the ability to 1031 proceeds from another property sale into the ownership of the Building. The available Equity will be between 48% and 60% of the equity from a building valuation of \$13,000,000 less the current loan balance. It should be noted that SGH will accept the same lease terms for

NOT

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his space on the first floor as Charlotte Radiology. The equity partner will have 30 days due diligence from the time of contract execution and will close on or before ~~December 31, 2017~~, subject to advanced approval by Charlotte Radiology and CRCP boards of directors. Landlord will provide additional detail under separate cover should the proposed equity partner wish to pursue. Tenant and Landlord will work together on long term financing options that do not include personal guarantees from the Charlotte Radiology ownership group. December 2016 property Income Statement is attached as Exhibit A.

**EXCLUSIVE DEALING:**

The parties agree that until the transactions described in this letter are consummated or until either Tenant or Landlord provides written notice to the other that it is abandoning the transactions, Landlord will not, directly or indirectly, through any representative or otherwise, solicit or entertain offers from, negotiate with or in any manner encourage, discuss, accept or consider any proposal of any other person or entity relating to leasing the Premises or consummating an equity investment similar to the equity investment described in this letter.

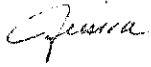
Landlord deliverables have been provided under separate cover or will be provided and/or further detailed following execution of the Letter of Intent.

The foregoing shall serve only as the basis for future discussions of the lease and Purchase and Sale Agreement (PSA) between the parties and shall not be construed as an offer, written agreement or legally binding obligation between the parties. Such an obligation will be created only when both parties execute a formal lease, covering all of the rights and obligations of the parties, which is then delivered by and between Landlord and Tenant. The terms of this proposal are based on Landlord's review and approval of Tenant's financial information.

Jubal, thanks again for reviewing the Proposal on behalf of your client. Please let me know if you have any questions.

Sincerely,

**CUSHMAN & WAKEFIELD**



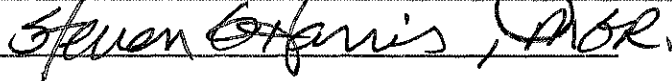
Jessica Brown  
Executive Director  
704-887-3023  
[Jessica.brown@cushwake.com](mailto:Jessica.brown@cushwake.com)

APPROVED, AGREED TO AND ACCEPTED THIS 31 DAY OF March, 2017

BY TENANT: CHARLOTTE RADIOLOGY



BY LANDLORD:



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Exhibit A

**Income Statement (Cash)**  
**700 East Morehead Street - (700am)**  
**December 2016**

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	Month to Date	%	Year to Date	%
<b>INCOME</b>				
<b>RENT INCOME</b>				
Rent	101,036.74	95.96	1,205,296.73	92.89
<b>NET RENT INCOME</b>	101,036.74	95.96	1,205,296.73	92.89
<b>EXPENSE REIMBURSEMENT</b>				
Insurance Expense Recovery	177.31	0.17	2,127.72	0.16
Property Tax Expense Recovery	1,549.14	1.47	18,559.68	1.43
Pass thru Utilities	550.00	0.52	6,600.00	0.51
Estimated CAM Charges	1,979.46	1.88	23,753.52	1.83
CAM Reconciliation	0.00	0.00	41,244.35	3.18
<b>TOTAL REIMBURSEMENT</b>	4,255.91	4.04	92,285.27	7.11
<b>TOTAL INCOME</b>	105,292.65	100.00	1,297,582.00	100.00
<b>EXPENSES</b>				
<b>DIRECT EXPENSES</b>				
Maintenance-Recoverable	0.00	0.00	6,319.11	0.49
Maintenance-Unrecoverable	0.00	0.00	-3,000.00	-0.23
Plumbing	0.00	0.00	1,442.39	0.11
Electrical Repair	0.00	0.00	2,031.82	0.16
Security Phone/DSL	316.87	0.30	3,689.47	0.28
Security Alarm / Monitoring	0.00	0.00	474.00	0.04
Fire Phone Line	114.49	0.11	1,373.88	0.11
Fire Monitoring	0.00	0.00	890.00	0.05
Janitorial	3,168.00	3.00	37,212.00	2.87
Janitorial Supplies	1,711.54	1.63	10,097.16	0.78
HVAC (Heat, Ventilation, Air)	3,064.38	2.91	19,848.43	1.53
Wet Well Repair/Maintenance	194.46	0.18	1,278.11	0.10
Landscaping	480.74	0.46	10,935.38	0.84
Exterminating	0.00	0.00	500.00	0.04
Management	3,218.78	3.06	38,649.76	3.08
Insurance	12,032.00	11.43	12,351.00	0.95
Property Tax	87,408.78	82.81	87,408.78	7.51
Electricity	4,517.78	4.29	54,933.22	4.23
Emergency Generator	0.00	0.00	1,464.29	0.11
Water & Sewer	203.21	0.19	2,582.78	0.20
Water (Fire Line)	10.51	0.01	135.12	0.01
Stormwater	67.67	0.06	878.95	0.07
Trash Disposal	266.03	0.25	3,145.18	0.24
Elevator	114.49	0.11	12,270.62	0.95
Signage	0.00	0.00	367.86	0.03
<b>TOTAL DIRECT EXPENSES</b>	128,579.03	120.50	318,079.30	24.51
<b>GENERAL &amp; ADMINISTRATIVE</b>				
Legal & Accounting	0.00	0.00	6,060.00	0.39
Miscellaneous Expense	210.00	0.20	4,750.64	0.37
<b>TOTAL G &amp; A EXPENSE</b>	210.00	0.20	9,810.64	0.76
<b>DEBT EXPENSE</b>				
1st Mortgage Interest	14,540.61	13.81	167,590.00	12.92

Exhibit B