

LEASE NO. GS-09P-LAZ03297

This Lease is made and entered into between

AG-POP CS 3838 Owner, LLC

(Lessor), whose principal place of business is 4105 Sorrento Valley Boulevard, San Diego, CA 92121, and whose interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

City Square, 4000 North Central Avenue, Phoenix, AZ 85012-1959

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

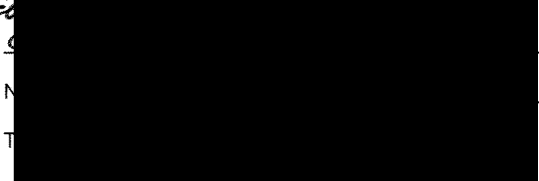
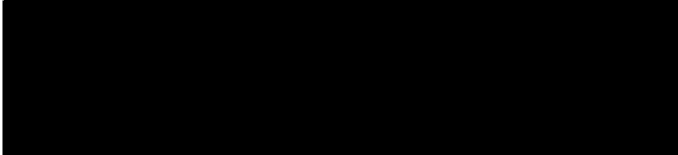
15 Years, 10 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, along with any applicable termination and renewal rights, shall be more specifically set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

FOR THE LESSOR: AG-POP CS 3838 owner, LLC
a Delaware limited liability company

FOR THE GOVERNMENT:



Entity Name: Parallel Capital Partners.

General Services Administration, Public Buildings Service

Date: 3/23/2015

Date: 3/31/2015

WITNESSED FOR THE LESSOR BY:

Name: Linda Chan

Title: Leasing Manager

Date: 3/23/2015

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

- A. Office and Related Space: **2,193** rentable square feet (RSF), yielding **2,012** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **23rd** floor(s) and known as Suite(s) **2360**, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit **A**.
- B. Common Area Factor: The Common Area Factor (CAF) is established as **1.09**. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

1.02 EXPRESS APPURTENANT RIGHTS (SEP 2013)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use the following:

- A. Parking: **Two** parking spaces as depicted on the plan attached hereto as Exhibit **B**, reserved for the exclusive use of the Government, of which **two** shall be structured/inside parking spaces, and **zero** shall be surface/outside parking spaces. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Antennas, Satellite Dishes, and Related Transmission Devices: (1) Space located on the roof of the Building sufficient in size for the installation and placement of telecommunications equipment, (2) the right to access the roof of the Building, and (3) use of all Building areas (e.g., chases, plenums, etc.) necessary for the use, operation, and maintenance of such telecommunications equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

| | FIRM TERM (MONTHS 1 – 7)⁴ | FIRM TERM (MONTHS 8 – 120) | NON FIRM TERM (YEARS 11 – 15) |
|---------------------------------------|---|---------------------------------------|--|
| | ANNUAL RENT | ANNUAL RENT | ANNUAL RENT |
| SHELL RENT ¹ | \$0.00 | \$33,005.25 | \$37,390.65 |
| TENANT IMPROVEMENTS RENT ² | \$0.00 | \$ 1,315.20 | \$ 0.00 |
| OPERATING COSTS ³ | \$0.00 | \$14,693.10 | \$14,693.10 |
| TOTAL ANNUAL RENT | \$0.00 | \$49,013.55 | \$52,083.75 |

¹Shell rent calculation:
 (Firm Term) \$15.05 per RSF multiplied by 2,193 RSF
 (Non Firm Term) \$17.05 per RSF multiplied by 2,193 RSF
²The Tenant Improvement Allowance of \$13,152.00 is amortized at a rate of 0.0 percent per annum over 10 years.
³Operating Costs rent calculation: \$6.70 per RSF multiplied by 2,193 RSF
⁴The full service rent (including Shell Rent, Tenant Improvements Rent, and Operating Costs) shall be abated during Months 1 – 7 of the lease term.

- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed **2,012** ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- C. INTENTIONALLY DELETED
- D. INTENTIONALLY DELETED
- E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.
- F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

H. INTENTIONALLY DELETED

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. **Jones Lang LaSalle Americas, Inc.** (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission will be payable to **Jones Lang LaSalle Americas, Inc.** with the remaining [REDACTED], which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 8 Rental Payment \$4,084.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 8th Month's Rent.*

Month 9 Rental Payment \$4,084.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 9th Month's Rent.*

Month 10 Rental Payment \$4,084.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 10th Month's Rent.*

Month 11 Rental Payment \$4,084.46 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 11th Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (SEP 2013)

The following documents are attached to and made part of the Lease:

| DOCUMENT NAME | NO. OF PAGES | EXHIBIT |
|---|--------------|---------|
| FLOOR PLAN(S) | 1 | A |
| PARKING PLAN(S) | 1 | B |
| AGENCY SPECIFIC REQUIREMENTS | 3 | C |
| SECURITY REQUIREMENTS | 7 | D |
| GSA FORM 3517B GENERAL CLAUSES | 47 | E |
| GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS | 10 | F |
| UNIT COSTS FOR ADJUSTMENT | 1 | G |

1.08 TENANT IMPROVEMENTS AND PRICING (STREAMLINED) (SEP 2013)

The Lessor has agreed to total TI pricing of \$13,152.00 based on the Agency Specific Requirements (ASR) and design schematic included in Exhibit C. This amount is amortized in the rent over the Firm Term of this Lease at an interest rate of 0.0 percent per year.

The TI Unit Prices listed in Exhibit H will be used to make the adjustment for variances between turnkey pricing based on the schematic drawing in the agency requirements package and the approved design intent drawings. The prices quoted will also be used to order alterations during the first year of the Lease. The prices quoted shall be the cost to furnish, install, and maintain each item, unless otherwise specified. These prices may be indexed or renegotiated to apply to subsequent years of the Lease upon mutual agreement of the Lessor and the Government. Final rent calculations will be reconciled and the Lease will be amended after acceptance of the Space.

The Government shall have the right to make lump sum payments for any or all TI work.

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1.10 INTENTIONALLY DELETED

1.11 INTENTIONALLY DELETED

1.12 INTENTIONALLY DELETED

1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined below, is **0.007369** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **2,193** RSF by the total Building space of **297,615** RSF.

Percentage of Occupancy refers to that portion of the Property exclusively occupied or used by the Government pursuant to the Lease. For Buildings, the Percentage of Occupancy is determined by calculating the ratio of the RSF occupied by the Government pursuant to the Lease to the total RSF in the Building or Buildings so occupied, and shall not take into account the Government's ancillary rights including, but not limited to, parking or roof space for antennas (unless facilities for such ancillary rights are separately assessed). This percentage shall be subject to adjustment to take into account increases or decreases for Space leased by the Government or for rentable space on the Property.

1.14 INTENTIONALLY DELETED

1.15 OPERATING COST BASE (SEP 2013)

The parties agree that the Lessor's base rate for operating costs shall be **\$6.70** per RSF (**\$14,693.10**/annum).

1.16 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (SEP 2013)

In accordance with the paragraph entitled "Adjustment for Vacant Premises," if the Government fails to occupy or vacates the entire or any portion of the Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by **\$2.00** per ABOA SF of Space vacated by the Government.

1.17 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the paragraph titled "Overtime HVAC Usage:"

\$40.00 per hour for the entire Space.

1.18 24-HOUR HVAC REQUIREMENT (APR 2011)

The hourly overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of **\$0.00** per ABOA SF of the area receiving the 24-hour HVAC. Notwithstanding the foregoing, Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.19 INTENTIONALLY DELETED

1.20 INTENTIONALLY DELETED