

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE:

DEC 03 2008

LEASE NO. GS-09B-02302

THIS LEASE, made and entered into this date between **AG/FP SIETE SQUARE, LLC**

whose address is: **3877 N. 7th Street, Suite 103
Phoenix, Arizona 85014**

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:

17,834 rentable square feet (r.s.f.), yielding approximately 15,624 ANSI/BOMA Office Area square feet and related space located at 3737 N 7th Street, Phoenix, Arizona 85014, together with one (1) reserved, surface parking space to be used for SUCH PURPOSES AS DETERMINED BY THE GOVERNMENT.

2. PARAGRAPH 2 INTENTIONALLY OMITTED

3. PARAGRAPH 3 INTENTIONALLY OMITTED

4. The Government may terminate this lease at any time in whole or in part on or after the initial ten (10) year firm term by giving at least 90 days prior notice in writing to the Lessor. 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. PARAGRAPH 5 INTENTIONALLY OMITTED

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

- A. Subject to Section 17 below, 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 and the Government's final construction drawings. Rent is subject to adjustment in accordance with Paragraph 1.11, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 4AZ0138-A and its attachments.

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Initials:

WA
Lessor

& EW
Government

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

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number 4AZ0126 (pages 1-46) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Amendment #1 to Solicitation for Offers NO. 4AZ0126;
- c) Attachment #1, Special Requirements (pages 1-34);
- d) Attachment #2, Certificate of Seismic Compliance (page 1);
- e) GSA Form 3517 (pages 1-33);
- f) GSA Form 3518 (pages 1-7);
- g) Sheet No. 1 of this Standard Form SF-2 containing Paragraphs 9-17.

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

Paragraphs 2, 3 and 5 of this STANDARD FORM 2 was deleted in its entirety. Paragraphs 9 through 24 have been added.

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

LESSOR: **AG/FP SIETE SQUARE, LLC**

By: AG Asset Manager, Inc., a Delaware corporation, Its: Manager

BY

William Abbate, VP (Signature)

(Signature)

IN PRESENCE OF:

Witness

(Signature)

9440 Santa Monica Blvd., Ste. 708

Beverly Hills, CA 90210

(Address)

UNITED STATES OF AMERICA: **GENERAL SERVICES ADMINISTRATION, Public Buildings Service:**

BY

CONTRACTING OFFICER, GSA

9. TO HAVE AND TO HOLD the said Premises with their appurtenances for the term beginning on the day the space is certified and accepted by the Government as complete and ready for occupancy through the following fifteen (15) year term, subject to termination and renewal rights as may be hereinafter set forth. Acceptance of space shall be made in accordance with Section 3.16 (G) of the Solicitation for offer No. 4AZ0126 attached to and made a part of this lease.
10. The Government shall pay the Lessor annual rent as follows:
- For years 1 through 5, annual rent of \$428,016.00 at the rate of \$35,668.00 per month in arrears;
- For years 6 through 10, annual rent of \$463,684.00 at the rate of \$38,640.33 per month in arrears;
- For years 11 through 15, annual rent of \$499,352.00 at the rate of \$41,612.67 per month in arrears;
- Rent for a lesser period shall be prorated. Rent checks shall be payable to:
- AG/FP Siete Square, LLC
c/o Colliers International
3877 N. 7th Street, Suite 103
Phoenix, AZ 85014
11. Pursuant to Paragraph 3.16, "Construction Schedule of Tenant Improvements", the Lessor shall have 290 calendar days from Lease Award to have the space available for inspection and acceptance by the Government. All items specified in Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. PERCENT OF OCCUPANCY: The Government occupies 17,834 rentable square feet, or 30.95%, in said building consisting 57,615 rentable square feet (RSF) ($17,834 / 57,615 = 30.95\%$).
13. OPERATING COST: The base rate is established at \$6.36 per rentable square foot per annum. This cost does not include the cost of Overtime HVAC which will not be paid as part of the rental rate.
14. ADJUSTMENT FOR VACANT PREMISES: Pursuant to Paragraph 3.11, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$0.00 per rentable square foot per annum for operating expenses.
15. OVERTIME USAGE: Pursuant to Paragraph 7.3, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours (7:00 a.m. - 5:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours"), at a rate of \$7.00 per hour per zone. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The cost of Overtime HVAC shall be paid by the Government via lump sum basis. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at 401 W. Washington Street, Suite 180, Phoenix, AZ 85003-2146, to receive payment.
16. 24 HOUR ROOMS: The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided based upon the actual costs from the meter reading after "Normal Hours." Lessor shall bill GSA quarterly detailing evidence of actual cost.
17. TENANT IMPROVEMENT ALLOWANCE: The Lessor, at its cost, is willing to expend up to \$378,000 toward any building shell improvements requested by the agency or otherwise required by the Solicitation for Offers No. 4AZ0126 and its attachments. All costs above this amount shall be part of the maximum Tenant Improvement Allowance which is established as follows: The maximum available Tenant Improvement Allowance shall be \$544,600.140 (\$34.86 per BOASF) amortized over 120 months at 8.05% payable monthly at the rate of \$6,607.50 or \$79,290.04 annually (\$4.45 per rentable / \$5.08 per BOMA Office Area square foot) and is included in the annual rent payment identified in Paragraph 10 of this lease. Pursuant to Paragraph 1.11, "Tenant Improvement Rental Adjustment", the Government, at its sole discretion, shall make all decisions as to the usage and payment for said Tenant Improvement Allowance.

END OF TEXT

Initials: WA & EW
Lessor Government