

U.S. GOVERNMENT
LEASE FOR REAL PROPERTY

DATE OF LEASE: *August 3, 2011*

LEASE No. **GS-09B-02759** Building No. **CA6567**

THIS LEASE, made and entered into this date between **Voit Torrance Tech Partners, LLC**

whose address is: **101 Shipyard Way, Suite M
Newport Beach, CA 92663-4447**

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:

11,293 rentable square feet (r.s.f.), yielding approximately 10,703 ANSI/BOMA Office Area square feet and related space located on the First Floor (Suites 110, 112 and 114) at 370 Amapola Avenue, Torrance, CA 90501-1475, together with Twenty-Nine (29) onsite surface parking spaces as depicted on the attached Exhibit A (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

2. PARAGRAPH 2 IS INTENTIONALLY OMITTED.

3. PARAGRAPH 3 IS INTENTIONALLY OMITTED.

4. PARAGRAPH 4 IS INTENTIONALLY OMITTED.

5. PARAGRAPH 5 IS INTENTIONALLY OMITTED.

<< The remainder of this page left blank intentionally >>

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
 - B. 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 3.3, "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. 5CA0547, and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

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) Sheet numbers 1-3 containing Paragraphs 9-25;
- b) Site Plans (Exhibit "A", 1 page);
- c) Building Plans (Exhibit "B", 2 pages);
- d) Tenant Improvement Scope of Work (Exhibit "C", 1 page);
- e) The Solicitation For Offers Number 5CA0547 (pages 1-49) (all references to SFO shall also refer to any Special Requirements and Amendments);
- f) SFO Amendment #1, 1 page;
- g) SFO Attachment #7, Special Requirements: "Torrance, CA [REDACTED]", 2 pages;
- h) GSA Form 3517B (pages 1-2);
- i) GSA Form 3518 (pages 1-7);

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

Paragraphs 2, 3, 4 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 25 have been added.

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

LESSOR: **Voit Torrance Tech Partners, LLC**

BY BY: VOIT DEVELOPMENT MANAGER, INC, MAR

BY BY: Stuart Koff, SECRETARY

(Signature)

(Signature)

IN PRESENCE OF:

[Signature]
(Signature)

101 Shipyard Way, Suite M
Newport Beach, CA 92663
(Address)

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

BY James Velez
CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02759

9. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following eight (8) years, eight (8) years firm term in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.

10. The Government shall pay the Lessor annual rent as follows:

Months	Shell Rate (r.s.f. per year)	Annual Base Year Service Cost (r.s.f. per year)	Annual Amortized T.I.'s (r.s.f. per year)	Annual Total Rent (r.s.f. per year)	Total Monthly Rent	Total Annual Rent
01 - 96	\$ 20.2661	\$4.13	\$1.0294	\$25.4255	\$ 23,927.45	\$ 287,129.40

The Government shall pay rent monthly, in arrears. Rent for a lesser period will be prorated. The cost for the twenty-nine (29) parking spaces referenced in Paragraph 1 of this SF-2 are included in the Shell Rent

Rent checks shall be payable to:

Voit Torrance Tech Partners, LLC
101 Shipyard Way, Suite M
Newport Beach, CA 92663-4447

11. The Lessor shall substantially complete the Tenant Improvements within sixty (60) calendar days of lease award. This supersedes the timing reference in paragraph 5.9(F) of SFO number 5CA0547. All items specified in paragraph 26 of this lease agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.
12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2 of SFO Number 5CA0547, "Tax Adjustment, California Deviation 10/98" for purposes of tax escalation, the Government occupies 11,293 / 65,581 rentable square feet (17.22 %).
13. **OPERATING COST:** Pursuant to Paragraph 4.3 of SFO Number 5CA0547, "Operating Costs", the base rate for purposes of operating cost escalation is established at **\$4.13** per rentable square foot per annum.
14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4 of SFO Number 5CA0547, "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 **\$1.64** per ABOA square foot per annum for operating expenses if vacated in whole or in part. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3 of SFO Number 5CA0547, "Operating Costs."
15. **OVERTIME USAGE:** Pursuant to Paragraph 4.6 of SFO Number 5CA0547, "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, except Federal Holidays ("Normal Hours")), at a rate of **\$25.00** per hour. Fixed for the eight (8) year lease term. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at **GSA West Los Angeles PMO, 11000 Wilshire Boulevard, Los Angeles, CA 90024-3602**, to receive payment.
16. PARAGRAPH 16 IS INTENTIONALLY OMITTED.
17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by negotiation to be \$68,525.00. This TI allowance has been determined by the Government to be fair and reasonable. Notice to Proceed (NTP) with the construction of the TIs in the amount of \$68,525.00 is herewith given. Upon completion and acceptance of the improvements, the Tenant Improvement Allowance shall be amortized over the eight (8) year term of the lease agreement at an interest rate (amortization rate) of 8.0 % per year.
18. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- A. Per Par. 17, above, the price proposal has been delivered and approved. Notwithstanding Paragraph 5.9 (B) of the SFO, Lessor shall have 10 days following lease award to submit final DID and demolition plans. The Government shall approve the plans within 5 days of receipt from the Lessor.
- B. If Construction Drawings are required for permit, Lessor shall prepare and submit a copy of the CD's to the Government within 10 days of the Government's approval of DID's. The Government shall review the CD's for their conformance to the DID's within 5 days of receipt.

Initials: GA & J
Lessor Government

19. **ACCEPTANCE OF SPACE:**

- A. The following is added to Paragraph 5.9 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within ten (10) calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

20. **UNAUTHORIZED IMPROVEMENTS:** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

21. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

WAIVER OF RESTORATION: The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the Lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this Lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

23. **COMMISSION AND COMMISSION CREDIT:**

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] for the years (1) through (5) and [REDACTED] for the years (6) through (8) of the firm term value of this Lease, excluding the amortized TI rent and shell rent associated with amortization of the Government's pro rata share of seismic retrofit work. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this Lease.

Notwithstanding Paragraph 3 of this Standard Form 2, the shell rental payments due and owing under this Lease 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 as indicated in this schedule for adjusted Monthly Rent.

First Month's Rental Payment \$23,927.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment \$23,927.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent;

Third Month's Rental Payment \$23,927.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent;

Fourth Month's Rental Payment \$23,927.45 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

Initials: So & [Signature]
Lessor Government

SHEET NUMBER 3 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02759

24. **TENANT IMPROVEMENT WORK:** Lessor shall complete the following Tenant Improvement work as depicted on Exhibit "C" attached to this lease at a cost of \$68,525.00:

- Repaint and recarpet all areas within Suites 110, 112 and 114 that are currently painted and/or carpeted;
- Add two (2) double door sets, one to connect Suites 110 and 112 and another to the Ed. Property Room;
- Install outlets for freezers within evidence cage area;
- Relocate and install [REDACTED] with [REDACTED] for [REDACTED]
- Install two (2) [REDACTED] within [REDACTED]

All shell related demolition work will be completed at Lessor's sole cost and expense.

The Government's award of this lease shall constitute the Notice To Proceed with the Tenant Improvement work.

25. **SEISMIC RETROFIT WORK:**

Lessor shall remedy the building's structural deficiencies to comply the Paragraph 2.2 of SFO Number 5CA0547, entitled "Seismic Safety for Existing Construction (AUG 2008)". Lessor shall complete the corrective action award and submit a Seismic Certification, including ASCE 31 checklist and calculations, demonstrating compliance within six (6) months of lease award.

Initials: Se & [Signature]
Lessor Government