

**U.S. GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE:

LEASE No. GS-09B-02860

SEP 28 2011

THIS LEASE, made and entered into this date between IMPERIAL INDUSTRIAL GROUP, LTD.

whose address is: 7825 Fay Avenue, Suite 250
La Jolla, CA 92037

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:
11,442 rentable square feet (r.s.f.), yielding approximately 11,048 ANSI/BOMA Office Area square feet and related space located at 2409 La Brucherie Road, Imperial, CA 92251-9592 together with 8 onsite parking spaces (4 reserved covered spaces and 4 surface spaces), as depicted on the attached "Site Plan 01" (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. PARAGRAPH 2 IS INTENTIONALLY OMMITTED.
3. The Government shall pay the Lessor annual rent of \$263,166.00 (\$23.00 per rsf) at the rate of \$21,930.50 per month in arrears for Years 1 – 10 of the Lease. Rent for a lesser period shall be prorated.

Rent payments shall be made payable to:

IMPERIAL INDUSTRIAL GROUP, LTD.
7825 Fay Avenue, Suite 250
La Jolla, CA 92037

Prior to final occupancy and commencement of rent, Lessor shall sign up for electronic funds transfer.

4. The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year of this lease 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 IS INTENTIONALLY OMMITTED.

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 approved Design Intent 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. OCA2690 and its attachments.
 - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph 8.13 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) The Solicitation For Offers Number OCA2690 (pages 1-48) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Special Requirements (pages 1-10);
- c) GSA Form 3517 (pages 1-33, REV 6/08);
- d) GSA Form 3518 (pages 1-7, REV 1/07);
- e) Sheet no. 1 containing Paragraphs 9-17;
- f) Sheet no. 2 containing Paragraphs 18-20;
- g) Site Plan 01 (Exhibit "A", Sheet no. 2)

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

Paragraphs 2 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 20 have been added.

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

LESSOR: IMPERIAL INDUSTRIAL GROUP, LTD.

BY _____

(Signature)

(name)

Paul R. Engh

IN PRESENCE OF:

Michelle Snyder

(Signature)

7825 Fay Ave. # 250, La Jolla CA 92037

(Address)

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

BY _____

CONTRACTING OFFICER, GSA

SHEET NUMBER 2 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02860

18. **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.
19. 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".
20. **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.

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Initials: PK & [Signature]
Lessor Government