

**US GOVERNMENT
LEASE FOR REAL PROPERTY**

DATE OF LEASE

2/26/09

LEASE NO.

GS-04B-59804

THIS LEASE, made and entered into this date by and between Western Devcon, Inc.

whose address is 10525 Vista Sorrento Pkwy # 110
San Diego, CA 92121

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:

A total of 30,000 rentable square feet (rsf) (29,126 BOMA usable square feet) of office and related space and 116 parking spaces, as shown in the attached drawings and plans, in a building to be constructed on Bay Meadows Way, Jacksonville, FL.

to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the FIFTEEN (15) YEAR, TEN (10) YEAR FIRM term to begin upon acceptance by the Government which shall be more specifically set forth by SLA, subject to termination and renewal rights as may be hereinafter set forth

3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>RATE PRSF Σ</u>	<u>MONTHLY RATE</u>
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See Paragraph 15

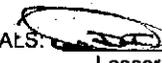
Σ The rate per rentable square foot (PRSF) is determined by dividing the total annual rental by the rentable square footage set forth in Paragraph 1.

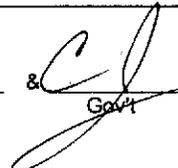
4. The Government may terminate this lease, in whole or in part, at any time on or after the tenth full year, by giving the Lessor at least 90 days notice in writing. No rent shall accrue after the effective date of termination and the Government shall not be liable for unpaid amortized tenant improvements. Said notice shall be computed commencing with the day after the day of mailing.

5. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

THIS PARAGRAPH DELETED IN ITS ENTIRETY

provided notice be given in writing to the Lessor at least ___ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

INITIALS:  Lessor

 Gov't

6. Rental is based on the rate, per rentable square foot (PRSF) as noted in Paragraph 3 above, in accordance with Clause 27 (PAYMENT), GSA form 3517, General Clauses. The lease contract and the amount of rent will be adjusted accordingly, but not to exceed the maximum BOMA usable square footage requested in SFO Paragraph 1.1, (Amount and Type of Space). Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Western Devcon, Inc.
10525 Vista Sorrento Pkwy # 110
San Diego, CA 92121

- 7. The Lessor shall furnish to the Government, as part of the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with Solicitation for Offers (SFO) 8FL2211. This is a fully serviced lease
 - B. Buildout in accordance with Solicitation for Offers 8FL2211. All tenant alterations to be completed no later than September 1, 2009. Lease term to be effective on date of occupancy, and established by SLA.
 - C. Deviations to the approved space layouts furnished by GSA to the Lessor subsequent to award will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

- 8. The following are attached and made a part hereof:
 - A. Solicitation for Offers 7FL2070
 - B. GSA Form 3518 entitled Representations and Certification
 - C. GSA Form 3517B (Rev 7/05) entitled General Clauses
 - D. The Offeror's Source Selection Technical Submissions

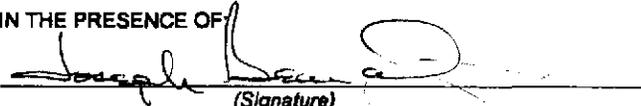
IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR Western Devcon, Inc.

BY Michael P. Ibe, President
Authorized Official, Title



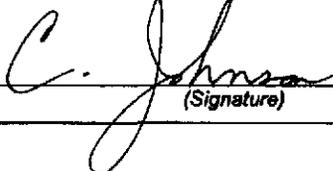
(Signature)

IN THE PRESENCE OF 
(Signature)

10525 Vista Sorrento Pkwy #110
San Diego, CA 92121

(Address)

UNITED STATES OF AMERICA

BY 
(Signature)

CONTRACTING OFFICER
GENERAL SERVICES ADMINISTRATION

(Official title)

INITIALS W.D. & CF
Lessor Gov't

9. The Offerors technical offer are hereby incorporated into the lease and made a part thereof. The Lessor warrants that it shall meet all requirements as set forth in the SFO, its attachments, and amendments. The building constructed shall conform to the proposed plans and information contained in that offer. The Offeror may not change any material or feature proposed in the offer without the prior expressed written consent of the Contracting Officer. In the event that the building delivered does not conform to the Lessor's proposal the Government shall reduce the rental amount by an amount equal to the reduction in value to the Government.

10. In accordance with Paragraph 3.11 (Common Area Factor), the common area factor (CAF) is established as 1.03.

11. In accordance with Paragraph 3.8 (Operating Costs), the escalation base is established as \$7.50 per rentable square foot (\$225,000).

12. In accordance with Paragraph 3.5 (Tax Adjustment), the percentage of Government occupancy is established as 100 %.

13. The Adjustment for Vacant Premises shall be \$7.50.

14. The rate for overtime usage is \$10 per hr. per zone. The lessor will indicate on the final as-built floor plans the zone information.

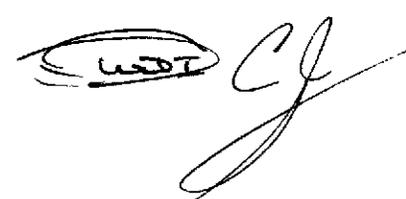
15. Lessor shall complete the building shell as defined in the lease and complete all alterations, improvements, and repairs required by this lease, and deliver the leased premises ready for occupancy by the Government no later than September 1, 2009. When Lessor has completed all such alterations, improvements, and repairs, Lessor shall promptly notify the Contracting Officer, who shall promptly cause the same to be inspected.

Upon the date of completion of such alterations, improvements, and repairs and inspection and acceptance by the Government, the term of this lease shall commence and shall continue for 15 consecutive calendar years. The commencement date shall be more particularly set forth by a Supplemental Lease Agreement.

16. Upon acceptance of the leased premises by the Government, the same shall be measured and rental shall be paid, in accordance with Paragraph 3.10 of the lease, "ANSI/BOMA Office Area Square Feet" and Paragraph 27 General Clauses, GSA Form 3517, "Payment" at the rate of:

<u>Year</u>	<u>Shell Rental</u>	<u>TI</u>	<u>Op Cost (in lease):</u>	<u>Total /sf</u>	<u>Annual</u>
1	\$22.18	\$6.37	\$7.50	\$36.05	\$1,081,363.53
2	\$45.60	\$6.37	\$7.50	\$58.77	\$1,783,963.53
3	\$45.60	\$6.37	\$7.50	\$58.77	\$1,783,963.53
4	\$45.60	\$6.37	\$7.50	\$58.77	\$1,783,963.53
5	\$45.60	\$6.37	\$7.50	\$58.77	\$1,783,963.53
6	\$50.16	\$6.37	\$7.50	\$63.33	\$1,920,763.53
7	\$50.16	\$6.37	\$7.50	\$63.33	\$1,920,763.53
8	\$50.16	\$6.37	\$7.50	\$63.33	\$1,920,763.53
9	\$50.16	\$6.37	\$7.50	\$63.33	\$1,920,763.53
10	\$50.16	\$6.37	\$7.50	\$63.33	\$1,920,763.53
11	\$55.18		\$7.50	\$62.68	\$1,880,400.00
12	\$55.18		\$7.50	\$62.68	\$1,880,400.00
13	\$55.18		\$7.50	\$62.68	\$1,880,400.00
14	\$55.18		\$7.50	\$62.68	\$1,880,400.00
15	\$55.18		\$7.50	\$62.68	\$1,880,400.00

*The rent shall be adjusted downward if the Government does not utilize the entire Tenant Improvement Allowance of \$1,229,824.38, which is included in the rent, using the 9.50% amortization rate over the lease firm term of 10 years. The Government, at its election, may pay lump sum for Tenant Improvements. If this occurs, the rent shall be reduced proportionately using the 9.50% amortization rate.

 WDT CJ

If the Government spends more than the allowance identified above, the Government reserves the right to 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

17. It is understood and agreed that the Government retains title to all removable property covered by this agreement and may remove same if so desired. In the event such are not removed by the Government at the end of this lease term, or any extension thereof, title shall vest in the Lessor and all right of restoration waived.



LESSOR'S SIGNATURE



GOVERNMENT'S SIGNATURE