LEASE NO. GS-09B-02894

This Lease is made and entered into between

Lessor's Name ALTURAS IMPERIAL, LLC

("the Lessor"), whose principal place of business is 7825 Fay Avenue, Suite 250, La Jolla, California 92037 – 4259 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

700 E. 24th Street, National City, CA 91950-7009

and more fully described in Section 1 and Exhibit A and B 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 LESS	
Name: Paul K. Enan	
Title: Managing Member	Title: Lease Contracting Officer
Entity Name: Alfuras Imperial LLC	General Services Administration, Public Buildings Service
Date: $8/08/20/7$	Date: 8/09/2012
WITNESSED FOR THE LESSOR BY:	

Name: MICHELL SNUARY
Title: Project Manager

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.

LESSOR: OOVERNMEND

Date:

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: 12,094 rentable square feet (RSF), yielding 11,604 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the first floor of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.
- B. <u>Common Area Factor</u>: The Common Area Factor (CAF) is established as **4.2** percent. 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 (JUN 2012)

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. <u>Parking</u>: 5 surface parking spaces as depicted on the plan attached hereto as Exhibit B, reserved for the exclusive use of the Government, 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: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all Building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (JUN 2012)

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

	FIRM TERM	Non Firm Term		
	· ANNUAL RENT	ANNUAL RENT		
SHELL RENT ¹	\$372,691.12	\$452,315.60		
TENANT IMPROVEMENTS RENT ²	\$ 79,624.36	\$0.00		
OPERATING COSTS ³	\$ 60,470.00	\$ 60,470.00		
TOTAL ANNUAL RENT	\$512,785.48	\$512,785.60		

Shell rent (Firm Term) calculation: \$30.8162 per RSF multiplied by 12,094 RSF

Rent in the amount of \$42,732.12 will be abated in full for the first (1st) month of the Lease.

In instances where the Lessor amortizes either the TI or Building Specific Security for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any unamortized costs beyond the Firm Term.

- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 11,604 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- C. THIS SUBPARAGRPAH WAS INTENTIONALLY DELETED
- D. 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.
- E. 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). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.
- F. 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."



²The Tenant Improvement Allowance of \$546,896.52 is amortized at a rate of 8 percent per annum over 10 years.

³Operating Costs rent calculation: \$5.00 per RSF multiplied by 12,094 RSF

- 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.

G. THIS SUBPARAGRPAH WAS INTENTIONALLY DELETED

1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

A.	Carpente	r/Robbins	Commercial	Real Estate, Inc	. (Broker) is ti	he authorized r	eal estate E	Broker repres	enting GSA i	in connection	with this Lease
transac	tion. The	e total am	ount of the	Commission is		and is earned	upon Leas	se execution,	payable ad	ccording to th	e Commission
Agreen	nent signe	d between	the two part	ies: Only	of the C	Commission wil	ll be payabl	e to Carpente	er/Robbins C	Commercial Re	eal Estate, Inc.
with the	e remainin	g	which is	tne Commissior	Credit, to be	credited to the	shell rental	portion of the	e annual ren	tal payments	due and owing
to fully	recapture	this Comn	ission Credit	. The reduction	in shell rent s	hall commence	with the fir	st month of th	ie rental pay	ments and co	ntinue until the
credit h	as been f	ully recapte	red in equal	monthly installn	ents over the	shortest time p	racticable.				

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 month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 2 Rental Payment \$42,732.12 minus prorated Commission Credit of	equals	adjusted 2nd Month's Rent.*
Month 3 Rental Payment \$42,732.12 minus prorated Commission Credit of	equals	adjusted 3rd Month's Rent.*
Month 4 Rental Payment \$42,732.12 minus prorated Commission Credit of	equals	adjusted 4 th Month's Rent.*

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 PARAGRAPH INTENTIONALLY DELETED

1.07 DOCUMENTS INCORPORATED IN THE LEASE (JUN 2012)

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

	No. of	
DOCUMENT NAME	PAGES	EXHIBIT
FLOOR PLAN(S)	. 1	Α .
PARKING PLAN/ SITE PLAN	1	В
AGENCY SPECIAL REQUIREMENTS	38	С
GSA FORM 3517B GENERAL CLAUSES	36	D
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	7	Ε
SEISMIC REPORT	40	F
BUILDING ELEVATIONS	4	G

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$47.13 per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 8 percent.

1.09 TÉNANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2011)

- A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the Firm Term.
- B. The Government may elect to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the Firm Term of the Lease, the Government, at its sole discretion, may elect to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the Firm Term of the Lease.
- C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either:



- 1. Reduce the TI requirements;
- Pay lump sum for the overage upon substantial completion in accordance with the "Acceptance of Space and Certificate of Occupancy" paragraph;
- 3. Negotiate an increase in the rent.

1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
GENERAL CONDITIONS (% OF TOTAL TI SUB CONTRACTORS' COSTS)	4.5%
GENERAL CONTRACTORS' FEE (% OF TOTAL TI SUB CONTRACTORS' COSTS)	5%
ARCHITECT/ENGINEER FEES: IS FLAT AT	\$50,000
LESSORS' PROJECT MANAGEMENT FEE (% OF TOTAL TI SUB CONTRACTORS' COSTS)	4.5%
LESSORS' PROFIT (% OF TOTAL TI SUB CONTRACTORS' COSTS)	5%

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is 100 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 12,094 RSF by the total Building space of 12,094 RSF

1.12 PARAGRAPH INTENTIONALLY DELETED

1.13 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$5.00 per RSF (\$60,470.00/annum).

1.14 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (JUN 2012)

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 leased 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 \$4.00 per ABOA SF of Space vacated by the Government.

1.15 HOURLY OVERTIME HVAC RATES (AUG 2011)

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

\$10.00 per hour for the entire Space.

1.16 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 \$1,500.00 per year for the aggregate of all areas requiring 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.

1.17 BUILDING IMPROVEMENTS (JUN 2012)

The Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

- A. Energy Star Label pursuant to Paragraph 3.16 entitled, "Energy Independence and Security Act (Dec 2011)". Additionally upon the initial submission of the Construction Drawings, evidence must be provided on how the Energy Star Label will be achieved including calculations. Wherever Energy Star equipment and Energy Star Design is being implemented, the mentioned shall be clearly indicated within the Construction Drawings and within the notes section of the Construction Drawings.
- B. Perform work as identified in the attached Seismic Report (Exhibit F) and provide an Engineers' stamp of approval of such work.

1.18 HUBZONE SMALL BUSINESS CONCERNS ADDITITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a

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HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.

SECTION 2 GENERAL TERMS, CONDITIONS, AND STANDARDS

2.01 DEFINITIONS AND GENERAL TERMS (JUN 2012)

Unless otherwise specifically noted, all terms and conditions set forth in this Lease shall be interpreted by reference to the following definitions, standards, and formulas:

- A. <u>Appurtenant Areas</u>. Appurtenant Areas are defined as those areas and facilities on the Property that are not located within the Premises, but for which rights are expressly granted under this Lease, or for which rights to use are reasonably necessary or reasonably anticipated with respect to the Government's enjoyment of the Premises and express appurtenant rights.
- B. Broker. If GSA awarded this Lease using a contract real estate broker, Broker shall refer to GSA's broker.
- C. Building. The building(s) situated on the Property in which the Premises are located shall be referred to as the Building(s).
- D. <u>Commission Credit</u>. If GSA awarded this Lease using a Broker, and the Broker agreed to forego a percentage of its commission to which it is entitled in connection with the award of this Lease, the amount of this credit is referred to as the Commission Credit.
- E. Common Area Factor (CAF). The Common Area Factor (CAF) is a conversion factor determined by the Building owner and applied by the owner to the ABOA SF to determine the RSF for the leased Space. The CAF is expressed as a percentage of the difference between the amount of rentable SF and ABOA SF, divided by the ABOA SF. For example 11,500 RSF and 10,000 ABOA SF will have a CAF of 15% [(11,500 RSF-10,000 ABOA SF)]. For the purposes of this Lease, the CAF shall be determined in accordance with the applicable ANSI/BOMA standard for the type of space to which the CAF shall apply.
- F. Contract. Contract and contractor means Lease and Lessor, respectively.
- G. Days. All references to "day" or "days" in this Lease shall mean calendar days, unless specified otherwise.
- H. FAR/GSAR. All references to the FAR shall be understood to mean the Federal Acquisition Regulation, codified at 48 CFR Chapter 1. All references to the GSAR shall be understood to mean the GSA supplement to the FAR, codified at 48 CFR Chapter 5.
- I. <u>Firm Term/Non-Firm Term</u>. The Firm Term is that part of the Lease term that is not subject to termination rights. The Non-Firm Term is that part of the Lease term following the end of the Firm Term.
- J. Lease Term Commencement Date. The Lease Term Commencement Date means the date on which the Lease term commences.
- K. <u>Lease Award Date</u>. The Lease Award Date means the date that the Lease is executed by the LCO (and on which the parties' obligations under the Lease begin).
- L. <u>Premises</u>. The Premises are defined as the total Office Area or other type of Space, together with all associated common areas, described in Section I of this Lease, and delineated by plan in the attached exhibit. Parking and other areas to which the Government has rights under this Lease are not included in the Premises.
- M. <u>Property</u>. The Property is defined as the land and Buildings in which the Premises are located, including all Appurtenant Areas (e.g., parking areas) to which the Government is granted rights.
- N. Rentable Space or Rentable Square Feet (RSF). Rentable Space is the area for which a tenant is charged rent. It is determined by the Building owner and may vary by city or by building within the same city. The Rentable Space may include a share of Building support/common areas such as elevator lobbies, Building corridors, and floor service areas. Floor service areas typically include restrooms, janitor rooms, telephone closets, electrical closets, and mechanical rooms. The Rentable Space does not include vertical Building penetrations and their enclosing walls, such as stairs, elevator shafts, and vertical ducts. Rentable Square Feet is calculated using the following formula for each type of Space (e.g., office, warehouse, etc.) included in the Premises: ABOA SF of Space x (1 + CAF) = RSF.
- O. Space. The Space shall refer to that part of the Premises to which the Government has exclusive use, such as Office Area, or other type of Space. Parking areas to which the Government has rights under this Lease are not included in the Space.
- P. Office Area. For the purposes of this Lease, Space shall be measured in accordance with the standard (Z65.1-1996) provided by American National Standards Institute/Building Owners and Managers Association (ANSI/BOMA) for Office Area, which means "the area where a tenant normally houses personnel and/or furniture, for which a measurement is to be computed." References to ABOA mean ANSI/BOMA Office Area.
- Q. Working Days. Working Days shall mean weekdays, excluding Saturdays and Sundays and Federal holidays.

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