EXHIBIT B

LEASE AGREEMENT

THIS LEASE AGREEMENT is made this first day of July, 2010, by and between CALEXICO HACIENDA PLAZA, INC., a California Corporation, whose principal place of business is 101 West Hacienda Drive, Suite 11, Calexico, CA 92231, hereinafter referred to as "LANDLORD", and IMPERIAL COMMUNITY COLLEGE DISTRICT of 380 E. Aten Rd., Imperial, California 92251, hereinafter referred to as "TENANT".

W I T N E S S E T H

WHERAS, LANDLORD is the owner of certain business premises described as 1501 Imperial Avenue, Calexico, California 92231; and more particularly described as:

> Parcel 1 & a portion of Parcel 2, Parcel Map 6-49 recorded in the offices of the County Recorder of Imperial County located at Section 11, Township 17, Range 14 South, containing 1.70 acres more or less.

WHEREAS, LANDLORD desires to lease the premises to TENANT; and

WHEREAS, TENANT desires to lease the premises from LANDLORD under the terms and conditions contained in this lease;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions herein contained, the parties do hereby agree as follows:

1. USE OF PREMISES:

LANDLORD hereby leases to TENANT and TENANT hereby Leases from LANDLORD, the hereinafter described premises for the purpose of conducting thereon a college level classroom instruction and related activities.

2. TERM AND EXTENSIONS:

A. The term of this lease shall commence on July 1, 2010, and terminate on June 30, 2011.

3. RENTAL:

The parties agree that the premises contain a total of total of 16,660 square feet of improved rental space including the freestanding building at 1501 N. Imperial Avenue with

about 7,700 square feet and units 1, 2, 3, 6, 12, and 13 of 101 W. Hacienda Drive with a combined square footage of about 8,960 square feet. A monthly rent of $14,811 will be payable in monthly installments in advance on the first day of each calendar month during the term of this lease.

4. REAL PROPERTY TAXES:

LANDLORD and TENANT agree that the leased premises shall be used solely for community college educational purposes during the term of this lease or during any extensions; and that during the negotiations of this lease a material consideration in setting the rental was the fact that the parties hereto understood the leased property was exempt from real property taxation. Therefore, the parties took into account the property tax exemption available pursuant to California Constitution, Subdivision (d), Section 3, Article XIII in fixing the terms of this agreement. The parties also agree that the LANDLORD shall claim and continue to claim the property tax exemption available pursuant to the California Constitution and Revenue and Taxation Code, Section 202.2. In the event LANDLORD is unable to obtain the property tax exemption contemplated by the aforementioned provisions, there shall be no adjustment of the basic rental charge, or increase or surcharge due or owing the LANDLORD on account of the failure to obtain the exemption.

5. WASTE AND NUISANCE:

TENANT will not commit, or suffer to be committed, any waste upon said premises, or any public or private nuisance or other act or thing which may disturb the quiet enjoyment of any other adjoining landowners. TENANT shall not, without first obtaining the written consent of LANDLORD, abandon the premises or allow the premises to become vacant or deserted.

6. ALTERATIONS:

TENANT may make substantial alterations on said premises to enable its use for educational purposes. TENANT contemplates, but is not limited to, modifications which would permit classroom instruction, computer laboratory instruction, administrative functions and other

related activities. TENANT shall submit all plans for proposed modifications to LANDLORD for review and approval. LANDLORD'S consent to the modifications shall not be unreasonably withheld. All improvements and modifications made by TENANT may, at TENANT'S option, be removed at the end of this lease or extensions. If TENANT chooses not to remove said improvements or modifications, they shall become the property of LANDLORD upon termination of the lease. Not later than the last day of the term, TENANT shall, at TENANT'S expense, remove all of TENANT'S personal property and those improvements made by TENANT which TENANT desire to retain. If TENANT does remove such improvements, modifications or personal property, TENANT shall repair all injury done in connection with the installation or removal; and surrender the premises in as good order as they were in at the beginning of the term, reasonable wear and tear excepted.

7. PARKING:

TENANT shall have use of the parking areas located within the premises and may designate a sufficient number, but no more than 52 parking spaces as reserved. Should Tenant elect to designate reserved parking spaces, the designated parking spaces must receive Landlord's consent.

8. COMPLIANCE WITH RULES AND REGULATION:

TENANT shall observe and comply with the reasonable rules and regulations as LANDLORD may prescribe on written notice to TENANT, for the care, safety, and cleanliness of the lease premises, and the comfort, quiet and convenience of adjoining tenants and/or landowners.

9. MAINTENANCE AND REPAIR:

TENANT shall, except as otherwise provided herein, at its sole cost and expense, keep and maintain the following portions of the premises in good and sanitary order, condition and repair, including without limitation, the maintenance and repair of the exterior signs, interior doors, glazing, heating and air-conditioning systems, plumbing,

pipes and electric wiring and conduits and interior light fixtures which serve the leased premises. Without relieving Lessee of liability resulting from Lessee's failure to exercise and perform good maintenance practices, if an HVAC unit cannot be repaired other than the cost which is in excess of 50% of the cost of replacing new, then the HVAC unit shall be replaced by the Lessor. TENANT hereby accepts the leased premises in their present condition as acceptable and satisfactory to their use and purposes hereunder. LANDLORD shall keep and maintain the landscaping, sidewalk, parking area, and alleyways servicing the building or located on the premises in good and sanitary order, condition and repair. LANDLORD shall also be responsible for the maintenance and repair of the exterior walls, roof, building front, and exterior doors.

10. GOVERNMENTAL REQUIREMENTS:

TENANT will, at its sole cost and expense, comply with the requirements of all municipal, state and federal authorities now in force, or which may hereafter be in force pertaining to said premises, occasioned by or affecting the use to which said premises are to be put by TENANT. Notwithstanding the foregoing, TENANT shall have the right to terminate this lease should problems with asbestos contamination arise which would cause TENANT to expend funds to eliminate said asbestos-related problems in order to continue its tenancy. LANDLORD shall have no liability for any repairs occasioned by asbestos problems, and has the option to terminate this lease upon notice that any such problem exists.

11. NON-RENEWAL:

LANDLORD understands that certain constitutional limitations exist on TENANT'S ability to encumber funds beyond the current fiscal year. However, TENANT agrees to do all things lawfully within its powers to obtain authorization and appropriation of funds necessary for the rental payments hereunder. TENANT further represents that its obligation to pay rent hereunder will not violate any limitation on its creation of indebtedness. If sufficient funds are not appropriated for rent due during the current fiscal year, and if TENANT has no funds legally

available to pay rent from other sources, the TENANT may terminate this agreement at the end of the then current lease term by giving at least ninety (90) days' written notice to LANDLORD before that term expires. In the event that the lease is terminated pursuant to this provision, TENANT agrees that it will not lease any other premises in Calexico, California, for external college classroom or administrative activity for a period equal to what would have been remaining on the term of this lease.

12. UTILITIES:

TENANT shall pay before delinquency, all charges for water, gas, heat, electricity, power, telephone service and all other services or utilities used I, upon, or about the leased premises by TENANT or any of its licensees during the term of this lease. If any utility is not separately metered to the premises, TENANT agrees to reimburse LANDLORD for the cost of said service.

13. ASSIGNMENT AND SUBLETTING:

TENANT will not assign this lease, or any interest therein, and will not lease or sublet said premises, or any part thereof, or any right or privilege appurtenant thereto, without the written consent of LANDLORD, which consent shall not be unreasonably withheld. A consent to one assignment or subletting shall not be construed as a consent to any subsequent assignment or subletting. Unless such consent has been so had and obtained, any assignment or transfer, or attempted assignment or transfer of this lease, or of any interest therein, or subletting, either by voluntary or involuntary act of TENANT, or by operation of law or otherwise, shall, at the option of LANDLORD, terminate this lease, and any such purported assignment, transfer or subletting without such consent shall be null and void.

14. INSURANCE:

A. TENANT agrees that TENANT shall, at its own expense, at all times during the term of this lease, or any extension or renewal thereof, maintain in full force and effect with a reputable insurance company, an insurance policy which shall insure and indemnify

LANDLORD against liability or financial loss resulting from injuries occurring to persons or property in or about the leased premises in amounts no less than $1,000,000.00 for injury to or death of any individual, $2,000,000.00 for injury to or death of two or more persons, and $50,000.00 for damage to or destruction of property. TENANT shall provide LANDLORD with certificates of insurance evidencing compliance with the foregoing and naming LANDLORD as an additional insured. Such certificates shall provide written obligation on the part of TENANT'S insurance carrier to notify LANDLORD in writing prior to any cancellation of said policy.

B. TENANT agrees to maintain and keep in force all workmen's compensation insurance required under the laws of the State of California.

C. TENANT shall purchase and maintain in effect during the term of this lease, and any extension or renewal thereof, a policy or policies of fire and other casualty insurance written by a company or companies qualified to write insurance in the State of California, providing insurance coverage against damage to the leased premises, including the building and all improvements, alterations, and additions thereof. Such policy or policies shall be in an amount sufficient, subject to approval by LANDLORD, to cover the value of such property. The cost of premiums shall be paid by TENANT, and all of such policies of insurance shall name LANDLORD as beneficiary thereunder. In addition, it shall be up to TENANT to maintain fire, casualty and theft insurance on its good, wares, merchandise, other personal property, and all such property lease by TENANT.

D. Should TENANT fail to keep in effect and pay for any insurance as in this section is required to be maintained, LANDLORD may do so, in which event the insurance premiums paid by LANDLORD shall become due and payable forthwith. Failure of TENANT to pay the same on demand shall constitute a breach of this lease.

15. <u>EXONERATION OF LANDLORD:</u>

TENANT will hold LANDLORD exempt and harmless for and on account of any damage or injury to any person, or to the goods, wares and merchandise of any person, arising from the use of the premises by TENANT, or arising from the failure of TENANT to keep the premises in good condition and repair as herein provided. TENANT hereby expressly waives all claims for damages that it may have against LANDLORD, either now or in the future, and agrees that LANDLORD shall not be liable for any damages or injuries to TENANT'S business, for nay loss of income to TENANT'S business, for any damage or destruction of any property belonging to TENANT or on said premises with the consent of TENANT, or from any injuries to TENANT or any person on said premises with the consent of TENANT.

16. INSPECTIONS:

TENANT will permit LANDLORD and its agents to enter into and upon said premises at all reasonable times for the purpose of inspecting the building, and will permit LANDLORD at any time prior to the expiration of this lease to place upon said premises any usual or ordinary "To Let" or "To Lease" signs.

17. CONDITION OF PREMISES:

By entry hereunder, TENANT acknowledges that said premises, and every part thereof, are at the date of such entry complete and in good order, condition and repair, and that on the last day of said term or other sooner termination of this lease, TENANT will peaceably and quietly leave, surrender and yield up to LANDLORD said premises in good order, condition and repair, reasonable use and wear thereof, and damage by act of God or by the elements, excepted.

18. DEFAULT:

The occurrence of any of the following shall constitute a material default and breach of this lease by TENANT:

A. Any failure by TENANT to pay the basic rental or to make any other payments required to be made by TENANT hereunder.

B. Failure by TENANT to observe and perform any other provisions of this lease to be observed or performed by TENANT.

19. LANDLORD'S REMEDIES ON DEFAULT:

If TENANT defaults in the payment of rent or defaults in the performance of any of the provision, covenants or conditions hereof, then LANDLORD shall give TENANT written notice of such default and of LANDLORD'S election to terminate this lease upon TENANT'S failure to cure said default within ten (10) days. In the event that said default is not cured by TENANT within ten (10) days after the giving of said notice by LANDLORD, then LANDLORD'S election to terminate this lease shall be effective without further notice; provided, however, that if the nature of such default is such that the same cannot be reasonably cured within such ten (10) day period, then TENANT shall not be deemed to be in default in TENANT shall, during such ten (10) day period, commence such cure and thereafter diligently prosecute same to completion.

LANDLORD and TENANT hereby expressly agree that any additional notices to TENANT (whether concerning default, opportunity to cure, LANDLORD'S election to terminate, or otherwise) which may be required by statute or law, now or hereafter in force, are hereby waived.

Upon the termination of the lease as provided above, LANDLORD may re-enter said premises and remove all persons and property therefrom. Any such property may be removed and stored in any public warehouse, or elsewhere, at the cost of and for the account of TENANT.

In addition to any other remedy available to LANDLORD upon default by TENANT, or upon TENANT'S abandonment of the premises, it shall be optional with LANDLORD to re-let or re-lease said leased premises (with or without terminating this lease and/or taking possession of the leased premises by court action or otherwise) for such rent, for such time, and upon such terms as LANDLORD may see fit, and if a sufficient sum shall not be thus realized during the term provided for by this lease after paying the expenses of such re-letting or re-leasing, or if

LANDLORD is unable to re-let or re-lease the premises, then TENANT agrees to satisfy and pay any such deficiency monthly as such liability accrues.

Should TENANT'S right to possession at any time terminate for any breach or default by TENANT, then in addition to any other remedy it may have, LANDLORD may recover from TENANT all damages incurred by reason of such breach or default, including the cost of recovering the premises and including the worth at the time of such termination or award of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this lease for the remainder of the stated term over the then reasonable rental value of the premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from TENANT to LANDLORD.

20. ATTORNEYS' FEES:

In the event that LANDLORD institutes any legal action or proceeding to compel the payment of any sum or sums due and payable from TENANT to LANDLORD hereunder or to quiet title to recover possession of the leased premises or to enforce the performance of any of the covenants and conditions of this lease, then TENANT agrees to pay LANDLORD all costs and reasonable attorneys' fees, whether or not such action proceeds to judgment.

21. DESTRUCTION OF PREMISES:

In the event of a partial destruction of said premises during said term for ay cause, LANDLORD shall, to the extent that any insurance proceeds cover the dollar loss, forthwith repair the same, provided such repairs can be made within twenty-five (25) days under the laws and regulations of state, county, or municipal authorities, but such partial destruction shall not annul or void this lease, except that TENANT shall be entitled to proportionate reduction of rent while such repairs are being made, such proportionate reductions to be based upon the extent to which the making of such repairs shall interfere with the business carried on by the TENANT in said premises.

If such repairs cannot be made within twenty-five (25) days, TENANT may, at its option, cancel this lease without further obligation by giving written notice as provided herein.

In the event LANDLORD does not so elect to make such repairs, or such repairs cannot be made under such laws and regulations, this lease may be terminated at the option of either party.

In the event the building in which the leased premises are situated is destroyed to the extent of not less than one-third (1/3) of the replacement cost thereof, LANDLORD may elect to terminate this lease.

A total destruction of the premises, or of the building in which said premises may be situated, shall terminate this lease.

22. CONDEMNATION:

If any part of the premises shall be taken or condemned for a public or quasi-public use, and a part thereof remains which is susceptible of occupation hereunder, this lease shall, as to the parts so taken, terminate as of the date title shall vest in the condemnor, and the rent payable hereunder shall be adjusted so that TENANT shall be required to pay for the remainder of the term only such portion of such rent as the value of the part remaining after the condemnation bears to the value of their entire premises at the date of condemnation. TENANT hereby agrees that all compensation awarded in the eminent domain proceeding as a result of such condemnation shall be LANDLORD'S. In such event, either party shall also have the option to terminate this lease as of the date when title to the part so condemned rests in the condemnor. If all of the leased premises, or such part thereof, be taken or condemned so that there does not remain a portion susceptible for occupation, this lease shall thereupon terminate.

23. NOTICES:

All notices required by law or by this lease to be given to TENANT may be given by depositing the same in the United States mail, postage prepaid, and addressed to TENANT at the

following address, and in that event, notice shall be deemed to have been given three (3) days after mailing:

IMPERIAL COMMUNITY COLLEGE DISTRICT
P.O. BOX 158
IMPERIAL, CA 92251
ATTN: VICE-PRESIDENT FOR BUSINESS SERVICES

All notices required by law or by this lease to be given to LANDLORD may be given in writing or by depositing the same in the United States mail, postage prepaid, and addressed to LANDLORD at the following address, and in that event, notice shall be deemed to have been given three (3) days after mailing:

CALEXICO HACIENDA PLAZA
101 WEST HACIENDA DR., SUITE 11
CALEXICO, CA 92231

24. WAIVER:

The waiver by LANDLORD of any breach of any term, covenant or condition contained herein shall not be deemed to be a waiver of any subsequent breach of the same or any other term, covenant or condition contained herein.

25. HOLDING OVER:

Any holding over after the expiration of said term with the consent of LANDLORD shall be construed to be a tenancy from month to month, and shall otherwise be on the terms and conditions herein specified, so far as applicable.

26. GOVERNING LAW:

All questions with respect to construction of this agreement and the rights and liabilities of the parties hereto shall be governed by the laws of the State of California.

27. INUREMENT:

Subject to the restrictions on assignments as herein contained, this agreement shall inure to the benefit of, and shall be binding upon the assigns, successors in interest, personal representative, estates, and heirs of the respective parties hereto.

28. ENTIRE DOCUMENT:

This agreement constitutes the entire agreement between the parties pertaining to the subject matter contained in it as it relates to all prior and contemporary agreements, representations, and understanding of the parties. No supplement, modification, or amendment of this agreement shall be binding unless executed in writing by all of the parties. No waiver of the provisions of this agreement shall be deemed or shall constitute a waiver of any other provision, nor shall it be binding unless executed in writing by the party making the waiver.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement on the date first above written.

LANDLORD-LESSOR:

CALEXICO HACIENDA PLAZA, INC.

By _____

Its _____

TENANT-LESSEE:

IMPERIAL COMMUNITY COLLEGE DISTRICT

By _____

Ed Gould, Ed.D., Superintendent/President