

STANDARD FORM 2
FEBRUARY 1965 EDITION
GENERAL SERVICES
ADMINISTRATION
FPR (41CFR) 1D16.601

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

DATE OF LEASE:

JUL 17 1996

LEASE No. GS-09B-94446

THIS LEASE, made and entered into this date between RAYMOND MAGNON, CHARLES H. SUTHERLAND, and SUSAN P. RUSSELL, as tenants in common, whose address is: 1650 Spruce Street, Suite 400, Riverside, CA 92507

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:

16,552 rentable square feet yielding 15,653 usable square feet of office and related space located at 2255 North Gemini Drive, Building 3, Flagstaff, AZ 86001 as further depicted in Exhibit "A", floor plans attached hereto and made a part hereof together with 33 paved parking that is covered (car port style), secured (six foot chain link fence topped with 3 strands of barbed wire placed at a 30 degree angle) and 60 uncovered, paved parking to be used for such purposes as determined by the Government."

"2. TERM. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the space is accepted for occupancy by the Government through the following ten (10) years, eight (8) years firm with the Government having cancellation rights upon 60 days written notice to the Lessor after the firm term."

"3. TERMINATION RIGHTS: The Government may terminate this lease, in whole or in part, anytime after the firm term with sixty (60) days written notice and no rental shall accrue after the effective date of termination. Said notice shall be computer commencing with the day after the date of mailing."

"4. The Government shall pay the Lessor \$18.20 per net usable square foot, per annum or a total annual rent of \$284,884.60 at the rate of \$23,740.38 per month in arrears.

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Flagstaff Building Partnership
1650 Spruce Street, Suite 400
Riverside, CA 92507.

"5. The Lessor shall furnish to the Government as part of the rental consideration, the following:

A. 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, the 1-16-95 CRSS Building 3 report recommendations (except as specifically excluded by paragraphs 16 - 21) attached and made part of this lease and the Government's space layout drawings; provided that the Government shall make payments for the unit cost adjustments in accordance with Paragraph 12 of the attachment sheets if the delivered quantities of times listed in such paragraph differ from quantities specified in this lease.

B. All costs associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements of this lease.

C. All parking spaces described in paragraph 1, together with all appurtenant improvements and facilities."

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"6. Pursuant to Paragraph 3.3. of Solicitation for offers RCA 94446 entitled "Tax Adjustment", the Government's percentage of occupancy for purposes of Tax Escalation is established at 100%."

"7. Pursuant to Paragraph 3.5. of Solicitation for Offers RCA 94446 entitled "Operating Costs", base operating costs are established at \$3.76 per usable square foot."

"8. Pursuant to Paragraph 3.12. of Solicitation for Offers RCA 94446 entitled "Adjustment For Vacant premises", the rate for vacant premises shall be the rental rate of \$16.32 per usable square foot per annum."

"9. The Government shall have access to the leased space at all times, including the use of toilets, lights and small business machines with no additional payment. HVAC services will be provided by Lessor in accordance with Paragraph 7.2 of Solicitation for offers RCA 94446 entitled "Normal Hours". Lessor shall provide HVAC beyond normal hours at the rate of \$15.00 per hour for the entire leased premises."

"10. The following are attached and made a part hereof:

All terms, conditons, and obligations of this Lessor and the Government as stated in SOLICITATION FOR OFFERS (SFO) NO. 94446 with attachments; Sheet No. 1 containing Paragraphs 12, 13; 14, 15; 16, 17, 18, 19, 20 and 21, Exhibit "A"; the January 18, 1995 CRSS Building 3 Report, pages 1 - 8; General Services Administration Forms 3517, General Clauses and 3518, Representations and Certifications, Standard Form 2, U.S. Government Lease for Real Property attached hereto and made a part hereof."

11. Pursuant to Paragraph 3.1 of Solicitation For Offers No. RCA 94446 entitled "Unit Costs For Adjustment", the following unit costs will be used to make an upward or downward adjustments if the specified quantities are not provided by the Lessor, or if they are exceeded by the Government. Costs are to provide, install and maintain, unless otherwise noted:

1. Ceiling High Partitions	\$ 62.40 per lin ft
2. Floor Elec Outlet	\$235.62 each
3. Wall Elec Outlet	\$109.50 each
4. Floor 4-plex Elec Outlet	\$260.57 each
5. Wall 4-plex Elec Outlet	\$124.74 each
6. Dedicated Computer Elec Outlet	\$203.74 each
7. Floor telephone	\$195.42 each
8. Wall telephone/Data Voice Boxes	\$ 88.70 each
9. Door w/Hardware	\$518.36 each

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

LESSOR
BY Raymond Magnon BY Raymond Magnon
IN PRESENCE OF Dwight Garner ADDRESS 1450 Spruce Street, Suite 400
Riverside, CA 92507

UNITED STATES OF AMERICA
BY Patricia C. Little JUL 17 1996 CONTRACTING OFFICER, GSA, PBS, PACIFIC SERVICE CENTER

JUL 17 1996 *[Signature]*

SHEET NO. 1 ATTACHED HERETO AND MADE A PART OF LEASE NO. GS-09B-94447

"12. The Government may accept occupancy prior to completion of items which the contracting officer determines do not affect beneficial occupancy. Any items requiring completion or correction at the time of acceptance of the space shall be completed or corrected within thirty (30) days of acceptance. Such work shall be scheduled and performed so as to avoid interference with the Government's use of the space. In the event Lessor fails to complete the work within the time provided, in addition to any other rights the Government may have, the Government shall have the right to exercise the remedies provided in Paragraph 15 of GSA Form 3517."

"13. All recommendations as stated in the January 16, 1995 CRSS Building 3 report, pages 1 - 8. will be completed prior to occupancy."

"14. Landscaping around the atrium and around the building will be replaced, repaired and upgraded including planting beds, plants, borders and sprinkler systems. Landscape plans will be submitted to the Contracting Officer for approval."

"15. The space will be finished to comply the General Service Administration standards set forth in this lease including, without limitation, the fire safety regulations, set forth in the Solicitation For Offers, or local codes whichever is stricter; the Uniform Federal Accessibility Standards, the Seismic requirements of Solicitation For Offers 94446, paragraphs 1.14 and all other construction and design requirements as set forth in any portion of this lease."

"16. All exterior windows shall be re-caulked and resealed to the satisfaction of the Contracting Officer. The Contracting Officer may require exterior window replacement at any time during the lease."

"17. The roof shall be repaired to the satisfaction of the Contracting Officer. The Contracting Officer may require roof replacement at any time during the lease."

"18. All window covering shall be replaced with either vertical or mini blinds. The window covering shall be consistent throughout the building and final selection will be determined by the Contracting Officer."

"19. The Lessor shall provide, install and maintain patio furniture consisting of one (1) table, one (1) shade umbrella and four (4) chairs. Patio furniture shall be of commercial grade and final selection including color will be approved by the Contracting Officer."

"20. The Lessor shall touch up the exterior paint and repair all cracks in the grout or stucco to the satisfaction of the Contracting Officer. A schedule for future painting will be provided and the building will be completely newly painted during the term of the lease."

"21. The Lessor shall completely retrofit one (1) women's restroom and one men's restroom (rooms 347 and 350) to fully comply to current ADA standards. All restrooms in the building will be refitted with new fixtures. Selection to be approved by the Contracting Officer."

6-11-95

