

**U.S. GOVERNMENT LEASE
CHANGE OF LESSOR FORM**

Supplemental Agreement No. 003

Effective Date:

To Lease No. GS-09B-94446

TRANSFEROR, TRANSFeree, and the UNITED STATES OF AMERICA ("Government") enter into this Agreement (the "Agreement") as of the Effective Date (defined below). This Agreement is entered into pursuant to the "Assignment of Claims" provision of the General Clauses to the referenced Government lease, as well as 41 United States Code Section 15, and is otherwise based on 48 Code of Federal Regulations Section 42.1204.

A. Definitions. All initial capitalized words in this Agreement shall have the same meaning as specified below.

- (1) "Transferor": Ray Maanon DBA Flagstaff Rentals Include the full name of predecessor-lessor. If Transferor is a corporation, include the full name of corporation and state of incorporation. If Transferor is a partnership, indicate whether it is a general or limited partnership. Specify below the name of the signatory authorized to bind the corporation or partnership. If the Transferor is different than the original lessor, attach copies of intervening deeds and brief explanation of the chain of title.
- (2) Signatory authorized to bind Transferor: Ray Maanon [print name], President [Title]
- (3) "Transferee": City of Flagstaff Include full name of successor-lessor. If Transferee is corporation, include full name of corporation and state of incorporation. If Transferee is partnership, indicate whether general or limited partnership. Specify name of signatory authorized to bind the corporation or partnership.
- (4) Signatory authorized to bind Transferee: Denny Birkland [print name], Real Estate Manager [Title]
- (5) "Effective Date": Date transfer of assets became effective under applicable State law.
- (6) "Property": 2255 North Gemini Drive [Street Address]
Flagstaff, AZ 86001-1637 [City, State and Zip Code]
- (7) "Leased Premises": USGS Building #3
[Include location of leased premises, e.g., floor number or suite number.]

B. THE PARTIES AGREE TO THE FOLLOWING FACTS:

- (1) The Government, represented by various Contracting Officers of the United States General Services Administration, has entered into that certain lease with the Transferor: Lease GS-09B-94446. The term, the "Lease", as used in this Agreement, means the above described lease, including all modifications, made between the Government and the Transferor before the Effective Date of this Agreement. In addition, included in the term "Lease" are all modifications made under the terms and conditions of the Lease between the Government and the Transferee, on or after the Effective Date of this Agreement.
- (2) As of the Effective Date, the Transferor has transferred to the Transferee all the assets of the Transferor involved in performing its obligations under the Lease by virtue of a Lease agreement - reversionary interest in paragraph 6.
[insert a term(s) descriptive of the legal transaction involved between the Transferor and the Transferee--for example, "a grant deed to the Property"].
- (3) The Transferee has acquired all the assets of the Transferor involved in performing the Lease by virtue of the above transfer.
- (4) The Transferee has assumed all obligations and liabilities of the Transferor under the Lease by virtue of the above transfer. Without limiting any of the Government's rights, it is noted that this provision is not intended to modify or eliminate any indemnification or other agreements which Transferee and Transferor have to each other pursuant to their other agreements.
- (5) The Transferee is in a position to fully perform all obligations that may exist under the Lease.
- (6) It is consistent with the Government's interest to recognize the Transferee as the successor party to the Lease.
- (7) Evidence of the above transfer has been submitted to the Government.

C. IN CONSIDERATION OF THESE FACTS, THE PARTIES AGREE THAT BY THIS AGREEMENT:

- (1) The Transferor confirms the transfer to the Transferee, and waives any claims and rights against the Government that it now has or may have in the future in connection with the Lease.
- (2) The Transferee agrees to be bound by and to perform the Lease in accordance with the conditions contained in the Lease. The Transferee also assumes all obligations and liabilities of, and all claims against, the Transferor under the Lease as if the Transferee were the original party to the Lease and is bound by all previous actions taken by the Transferor with respect to the Lease, with the same force and effect as if the action had been taken by the Transferee.
- (3) The Government recognizes the Transferee as the Transferor's successor in interest in and to the Lease. The Transferee by this Agreement becomes entitled to all right, title, and interest of the Transferor in and to the Lease as if the Transferee were the original party to the Lease. Following the effective date of this Agreement, the term, "Lessor", as used in the Lease, shall refer to the Transferee.

- (4) Except as expressly provided in this Agreement, nothing in it shall be construed as a waiver of any rights of the Government against the Transferor.
- (5) All payments and reimbursements previously made by the Government to the Transferor, and all other previous actions taken by the Government under the Lease, shall be considered to have discharged those parts of the Government's obligations under the Lease. All payments and reimbursements made by the Government after the date of this Agreement in the name of or to the Transferor shall have the same force and effect as if made to the Transferee, and shall constitute a complete discharge of the Government's obligations under the Lease, to the extent of the amounts paid or reimbursed.
- (6) Following the full execution of this Agreement, Transferee desires, as soon as practicable, that rent checks, in the amount set forth in the Lease, be payable to the Transferee and sent to the Transferee at the following address:
211 West Aspen Avenue
Flagstaff, AZ. 86001
- (7) The Transferor and the Transferee agree that the Government is not obligated to pay or reimburse either of them for, or otherwise give effect to, any costs, taxes, or other expenses, or any related increases, directly or indirectly arising out of or resulting from the transfer or this Agreement, other than those that the Government in the absence of this transfer or Agreement would have been obligated to pay or reimburse under the terms of the Lease.
- (8) The Transferor guarantees payment of all liabilities and the performance of all obligations that the Transferee assumes under this Agreement. The Transferor waives notice of, and consents to, any such future modifications.
- (9) The Lease shall remain in full force and effect, except as modified by this Agreement.
- (10) Each of the persons executing this Agreement on behalf of Transferee does hereby covenant and warrant that such entity is a duly authorized and existing entity, is qualified to do business in the state identified in Paragraph A (3) above, with full right and authority to enter in this Agreement, and that each and every person signing on behalf of Transferee is authorized to do so. Upon request, Transferee shall provide Government with evidence satisfactory to Government confirming the foregoing covenants and warrants.

IN WITNESS WHEREOF, each party has executed this Agreement as of the day and year first above written.

TRANSFEROR: [Attach additional pages if necessary for multiple signatures or multiple entities]

Ray Magnon DBA Flagstaff Rentals
 [Print name of Transferor]
 By [Signature]
 Print Name Ray Magnon
 Title President

CERTIFICATE

I, Ray Magnon, certify that I am the Secretary of Flagstaff Rentals; that _____ who signed this Agreement for this corporation, was then President of this corporation; and that this Agreement was duly signed for and on behalf of this corporation by authority of its governing body and within the scope of its corporate powers.

Witness my hand and the seal of this corporation this 24 day of September, 2004.

By [Signature]
 [CORPORATE SEAL] 

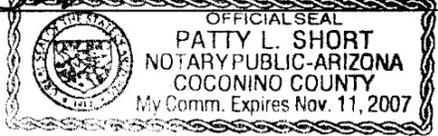
TRANSFEE: [Attach additional pages if necessary for multiple signatures or multiple entities]

City of Flagstaff
 [Print name of Transferee]
 By [Signature]
 Print Name Denny Birkland
 Title Real Estate Manager

CERTIFICATE

I, Denny Birkland, certify that I am the ^{agent} Secretary of the City of Flagstaff; that _____ who signed this Agreement for this corporation, was then agent of this corporation; and that this Agreement was duly signed for and on behalf of this corporation by authority of its governing body and within the scope of its corporate powers.

Witness my hand and the seal of this corporation this 20 day of September, 2004.

By [Signature]
 [CORPORATE SEAL] 

Government: UNITED STATES OF AMERICA,
 By: _____
 Name: _____, Title: _____