

Appendix E-2, Exhibit E
REAL ESTATE BUILDING LEASE
At Los Angeles Air Force Base

This Building Lease (the "Lease"), made this _____ day of _____, 2001, by and between the United States of America, acting by and through the United States Air Force (the "Air Force"), and _____ (as the "Lessor"), collectively known at times as the "Parties."

WITNESSETH

WHEREAS, the Air Force, under the authority contained in 2001 Defense Authorization Act, 106 Pub. Law 398, 114 Stat. 1654, Title XXVIII, Subtitle D, Section 2861, "Land Conveyance, Los Angeles Air Force Base", and the Lessor have executed a Purchase, Sale and Development Contract (the "Contract"), in which the Lessor agrees to design and construct certain new government office space and related improvements known as the Systems Acquisition Management Complex (the "Project"); and

WHEREAS, concurrently with the execution of the Contract the Air Force enters into this Lease for the purpose of providing sufficient real estate interests to the Lessor in order to carry out the requirements of the Project;

NOW, THEREFORE, for the consideration set forth below and subject to the terms, conditions, covenants and agreements set forth in this Lease, the Parties agree as follows:

1. LEASE OF BUILDING

- 1.1 The Lessor leases exclusively, subject to Section 17 hereof, to the Air Force all new facilities and improvements which constitute the Project (the "Leased Premises"). The leasehold is subject to all servitudes, licenses, easements, and appurtenances, of record or not, belonging to the leased premises. Title to the Project shall belong to the Lessor subject to the terms of this Lease and shall vest in the Air Force on the Term Expiration Date, as defined below in Section 2.1.

2. TERM AND DELIVERY OF POSSESSION

- 2.1 This Lease shall be for a term of _____ years. The term shall begin on _____ (the "Term Beginning Date") and end on _____ (the "Term Expiration Date"), unless sooner terminated in accordance with the provisions of this Lease and/or the Contract.

3. EASEMENTS AND RIGHTS-OF-WAY

- 3.1 The Leased Premises are subject to all existing easements and rights-of-way (the "Existing Encumbrances"). The Lessor shall have the further right to create and grant additional easements and rights-of-way over, across and through the Leased Premises for the benefit of the Project, including, without limitation, the right to modify and relocate any of the Existing Encumbrances ("Additional Encumbrances"), subject to Air Force approval, with such approval not to be unreasonably withheld. The Air Force shall accept and perform its operations on the Leased Premises subject to and in compliance with the Existing Encumbrances and Additional Encumbrances (collectively, the "Encumbrances"); provided, however, the Lessor agrees that Additional Encumbrances shall not be inconsistent with or materially impair the rights of the Air Force under the Lease or under the Contract with respect to the construction, ownership and operation of the Project. The Lessor agrees to coordinate the grant or creation of any of the Additional Encumbrances and the modification or relocation of any of the Existing Encumbrances with Air Force so as to provide for and protect the mutual needs of the Air Force and Lessor.
- 3.2 The Air Force agrees, at the request of the Lessor, to grant and create such additional easements and rights-of-way as shall be reasonably required to enable the Lessor to develop and own the Project including, consistent with the accomplishment of the Air Force's needs, rights of ingress, egress and access and utility service for the Project, which easements and rights-of-way shall be set forth in documentation prepared by the Lessor. Any easements and rights-of-way over property that is not owned by the Lessor shall be the responsibility of the Lessor to obtain or procure at the Lessor's sole cost and expense as part of the Project.

4. CONSIDERATION

- 4.1 The Air Force shall pay to the Lessor cash in the amount of \$_____ for the entire lease term, payable in the amount of \$_____ per annum, with such payment due on_____.

5. CONTRACT

- 5.1 The Contract sets forth detailed procedures and requirements to be followed by the Lessor in the design and construction of the Project. Any amendments to the Contract that impact the Lease shall be specifically incorporated into the Lease.
- 5.2 In the event of any conflict or inconsistency between any provisions of the Contract and any provisions of this Lease, the provisions of the Contract shall control. In the event of any future amendment to the Lease, such amendment shall conform to the terms of the Contract.

6. USE OF LEASED PREMISES

- 6.1 The Leased Premises shall be used by the Air Force for the purposes of carrying out its mission or for any other purpose deemed appropriate by the Secretary of the Air Force.

7. DEFAULT

- 7.1 Any default or breach of this Lease shall be handled in accordance with the Disputes provision of this Lease.
- 7.2 The failure to comply with any provision of this Lease, where such failure to comply continues for thirty (30) days after delivery of written notice thereof by the Lessor to the Air Force shall constitute a default and breach of this Lease by the Air Force. In the event, however, that the default is of such a nature that it cannot be cured within said thirty (30) days, the Air Force shall not be deemed to be in default and breach of this Lease if the Air Force shall begin the actions necessary to cure the default in accordance with a compliance schedule approved agreed to between the Air Force, and Lessor and the Air Force diligently continues to comply with said compliance schedule in a manner satisfactory to the Air Force.
- 7.3 No default or breach shall be deemed to have occurred for any period of time during which the Parties are attempting in good faith to resolve a dispute, pursuant to the procedures provided for in Section 16 of the lease or Section 22t of the Contract in relation to the actions, inactions or omissions which are the subject of the alleged default or breach. If pursuant to dispute resolution, the default or breach is determined to have occurred, the period for cure shall not begin until the day after the final decision on the dispute is issued.

8. TAXES

- 8.1 The Lessor shall be responsible for the payment of all taxes, assessments and similar charges on the Leased Premises as the same become due and payable.

9. OPERATION AND MAINTENANCE OF LEASED PREMISES

- 9.1 The Air Force shall operate and maintain the Leased Premises as detailed in this Lease and as further set out in the Contract.

- 9.2 The Lessor shall pay or cause to be paid, the bills and obligations of the Project, including taxes as described in Section 8 above, as they come due on the normal course of business, so as to keep the Project solvent and free from liens, other than those expressly permitted by the Air Force, by this lease or by the Contract.
- 9.3 Any real or personal property of the Air Force damaged or destroyed by the Lessor incident to the Lessor's activities on the Leased Premises shall be promptly repaired or replaced by the Lessor to the reasonable satisfaction of the Air Force. In lieu of such repair or replacement, the Lessor shall, if so requested by the Air Force, pay to the Air Force money in an amount sufficient to compensate for the actual costs incurred by the Air Force by reason of damage or destruction of Air Force property, including natural resources.

10. COMPLIANCE WITH APPLICABLE LAWS

- 10.1 The Lessor shall at all times during the term of this Lease faithfully observe and comply with, at its sole cost and expense, the provisions of all Federal, State and local laws, rules, regulations, orders, ordinances, and other Air Force standards and requirements which may be applicable to the Leased Premises, particularly those provisions concerning the protection of the environment and pollution control and abatement and occupational safety and health, whether such provisions are now in force or may, at any time in the future, be enacted or directed and, by law, become applicable to and enforceable against the Leased Premises.

11. RISK OF LOSS

- 11.1 The Air Force agrees to assume all risks of loss for damage to property and injury or death to persons by reason of or incident to the possession and/or use of the Leased Premises or the activities conducted by the Air Force under this Lease; provided, however, that any loss, damage or destruction or injury or death caused by the acts of the Lessor shall be the responsibility of the Lessor.

12. UTILITIES AND SERVICES

- 12.1 The Air Force will be responsible for utilities and services as described in Exhibit B of the Contract.

13. NOTICES

- 13.1 Whenever the Air Force or the Lessor shall desire to give or serve upon the other any notice, demand, order, direction, determination, requirement, consent or approval, request or other communication with respect to this Lease or with respect to the Leased Premises, each such notice, demand, order, or direction shall be in writing. All notices delivered by facsimile shall be subsequently confirmed by sending a copy by overnight courier or by U.S. certified mail no later than the next following day, addressed as follows or at such other address or addresses as the Air Force or the Lessor may designate by notice given by certified mail:

If to the Lessor: _____

If to the Air Force: _____

14. LIENS AND MORTGAGES

- 14.1 Any lien or mortgage shall be in accordance with the Contract.
- 14.2 During the term of this Lease, the Lessor may encumber its interest in the Leased Premises by way of one or more loans secured by a mortgage or deed of trust subject to Section 14.3 below. The proposed holder of any mortgage must be approved by the Air Force prior to the execution of such loan, which approval shall not be unreasonably withheld or delayed provided, however, that the Air Force shall approve any mortgagee that is a bank, institutional lender or investor, insurance company or other lender providing financing from or through the use of customary capital or lending markets for similar office projects. Any loan may be further secured by a conditional assignment of this Lease to the mortgagee. The Air Force agrees to execute a consent to the conditional assignment of this Lease for financing purposes in form reasonably acceptable to any approved mortgagee and from time to time to execute an Estoppel Certificate and any other similar documentation as required by the approved mortgagee to certify as to the status of this Lease and to the performance of the Lessor hereunder as of the date of such certification.
- 14.3 No mortgage or deed of trust shall extend to or affect the fee, the remainder interest or the estate of the Air Force in the Leased Premises, but may extend to or affect the leasehold interest of the Lessor in the Leased Premises and the ownership if any, by the Lessor of the Project. No mortgage or deed-of-trust shall be binding upon the Air Force in the enforcement of its rights and remedies under the Lease and by law provided, unless, and until a copy thereof shall have been delivered to the Air Force and such mortgage or deed of trust is authorized in accordance with the provisions of this Section 21.

15. TITLE TO NEWLY CONSTRUCTED IMPROVEMENTS

- 15.1 Upon the expiration of the lease, title will vest in the Air Force.

16. DISPUTES

- 16.1 Before or in conjunction with pursuing any remedy which is available to it under law, by mutual agreement, the parties may submit the dispute to an alternative dispute resolution procedure authorized by the Administrative Dispute Resolution Act of 1966, P.L. No. 104-320 (5 U.S.C. §§571, et.seq.)
- 16.2 Except as otherwise provided in this Lease, any dispute between the Air Force and the Lessor arising under this Lease shall be resolved in accordance with the purpose and intent

of the Contract, and in accordance with the Disputes Clause in Exhibit B, of the Contract, incorporated herein by reference.

17. AMENDMENTS

- 17.1 This Lease may be amended at any time by mutual agreement of the Parties in writing and signed by a duly authorized representative of the respective Parties, so long as such amendment is in conformance with and/or does not conflict with any terms of the Contract.

18. INSURANCE

- 18.1 The Lessee shall obtain comprehensive general liability insurance on an "occurrence basis" (provided such coverage is reasonably obtainable) against claims for "personal injury," including without limitation, bodily injury, death or property damage, occurring upon, in or about the building, such insurance to afford immediate minimum protection at the time of the Term Beginning Date, and at all times during the term of this Lease, with limits of liability in amounts approved from time to time by the Air Force, but not less than \$ _____ in the event of bodily injury and death to any one or more persons in one accident, and not less than \$ _____ for property damage. Such insurance shall also include coverage against liability for bodily injury or property damage arising out of the acts or omissions by or on behalf of any person or organization, or involving any owned, non-owned, leased or hired automotive equipment in connection with the Lessee's activities. The insurance carried and maintained by the Lessee pursuant to this Section shall name the Air Force as an additional insured, and provide coverage to protect the Air Force from any damage and liability for which the Lessee is liable or responsible or agrees to hold harmless and indemnify the Air Force under this Lease. Proceeds under all policies of insurance carried and maintained to provide the coverage required by this Section 18.1. shall be available only for that purpose.
- 18.2 If and to the extent required by law, Lessee shall maintain workers' compensation and employer's liability or similar insurance in form and amounts required by law.
- 18.3 All policies of insurance which this Lease requires the Lessee to carry and maintain or cause to be carried or maintained pursuant to this Section 18 shall be effected under valid and enforceable policies, in such forms and amounts as may, from time to time, be required under this Lease, issued by insurers of recognized responsibility. All policies issued by the respective insurers for comprehensive general liability insurance and for the broad form of extended coverage insurance provided for above in this Section shall be for the mutual benefit of the Air Force and the Lessee and will name the Air Force as an additional insured. Each such policy shall provide that any losses shall be payable notwithstanding any act or failure to act or negligence of the Lessee or the Air Force or any other person; provide that no cancellation, reduction in amount, or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by the Air Force of written notice thereof; provide that the insurer shall have no right of subrogation against the Air Force; and be reasonably satisfactory to the Air Force in all respects. Notwithstanding the foregoing, any

cancellation of insurance coverage based on nonpayment of the premium shall be effective upon ten (10) days' written notice to the Air Force. The Lessee understands and agrees that cancellation of any insurance coverage required to be carried and maintained by the Lessee under this Section 18 will constitute a failure to comply with the terms of the Lease, and the Air Force, shall have the right to terminate the Lease for default and breach upon receipt of any such cancellation notice, but only if the Lessee fails to cure such noncompliance.

18.4 The Lessee shall deliver or cause to be delivered upon execution of this Lease (and thereafter not less than fifteen (15) days prior to the expiration date of each policy furnished pursuant to this Section 18), at the Air Force's option, a certified copy of each policy of insurance required by the Lease as soon as each such policy is made available by the insurer, or a certificate of insurance evidencing the insurance required by the Lease, or both.

IN WITNESS WHEREOF, I have set my hand to this Lease this _____ day of _____.

By: _____

Title: _____

This Lease is executed by the Lessor this _____ day of _____.

By: _____

Title: _____