

**Appendix E-2, Exhibit F**  
**GROUND LEASE**  
**At Los Angeles Air Force Base**

This Ground 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" or Lessor), and \_\_\_\_\_ (as the "Lessee"), 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", has determined that the leasing of the property identified in this Lease will be in the public interest; and

WHEREAS, concurrently with the execution of this Lease, the Lessee and the Air Force also have executed a Purchase, Sale, and Development Contract (the "Contract"), in which the Lessee agrees to design and construct certain new government office space and related improvements known as the Systems Acquisition Management Complex project (the "Project"); and

WHEREAS, the Air Force enters into this Lease for the purpose of providing sufficient real estate interests to the Lessee in order to carry out the requirements of a unique public/private venture at Los Angeles Air Force Base (LAAFB) as described in the Request for Proposals for the SAMS complex (the "Solicitation"), and the proposal selected by the Air Force (the "Proposal"), including private commercialization of certain land and the construction of the Project; and

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 LAND AND INFRASTRUCTURE:**

- 1.1 The Air Force leases exclusively, subject to Section 19 hereof to the Lessee certain land and all facilities and improvements thereon (the "Land"), as more particularly described in Exhibit A to this Lease and depicted upon the drawings attached as Exhibit B to this Lease. At the Term Expiration Date of the Land lease, title to the Land shall vest with the Air Force unless the Lessee, pursuant to terms, conditions and procedures set forth in Section 19, exercises its option to acquire the Land, and provided further that the Lessee is not in default in regard to said Contract.

## **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 Land is subject to all existing easements and rights-of-way (the "Existing Encumbrances"). The Lessee shall have the further right to create and grant additional easements and rights-of-way over, across and through the Land, 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 Land subject to and in compliance with the Existing Encumbrances and Additional Encumbrances (collectively, the "Encumbrances"); provided, however, the Lessee 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 Lessee 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 the Air Force so as to provide for and protect the mutual needs of the Air Force and Lessee.
- 3.2 The Air Force agrees, at the request of the Lessee, to grant and create such additional easements and rights-of-way as shall be reasonably required to enable the Lessee to develop the Land for its own commercial purposes, or to construct the Project including, consistent with the accomplishment of the Air Force's mission, 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 Lessee. Any easements and rights-of-way over property that is not owned by the Lessee shall be the responsibility of the Lessee to obtain or procure at the Lessee's sole cost and expense as part of the Project.

## **4. CONDITION OF THE LAND**

- 4.1 Subject to the provisions of this Lease, and delivery of a Physical Conditions Report (PCR)

and an Environmental Baseline Survey (EBS) as hereinafter provided in Sections 4.2 and 4.3 hereof, the Lessee agrees and acknowledges that it has inspected, knows and accepts the condition and state of repair of the Land. It is understood and agreed that the Land is leased in an "as is" condition without any representation or warranty by the Air Force concerning their condition and without obligation on the part of the Air Force to make any alterations, repairs or additions. The Air Force shall not be liable for any latent or patent defects in the Land. The Lessee acknowledges that the Air Force has made no representation or warranty concerning the condition and state of repair of the Land nor any agreement or promise to alter, improve, adapt or repair them which has not been fully set forth in this Lease.

- 4.2 A PCR of the Land will be prepared by the Air Force and/or its representatives, signed by the respective representatives of the Parties, and attached hereto as Exhibit C within ten (10) days after the Term Beginning Date. The PCR shall set forth the agreed physical condition of the Land on the Term Beginning Date as determined from a joint inspection by the Parties. If the Parties cannot agree to a particular condition or matter reflected in the PCR, the Lessee may attach an addendum to the PCR explaining its disagreement with the Air Force's determination as to such condition and the reasons therefore. Disagreements will be resolved per Section 21 of this lease.
- 4.3 An EBS of the Land will be prepared by the Air Force and/or its representatives, signed by the respective representatives of the Parties, and attached hereto as Exhibit D. The EBS shall set forth those environmental conditions and matters on and affecting the Land on the Term Beginning Date, as determined from the records and analyses reflected therein. A second EBS of the Land will be prepared by the Lessee and/or its representatives, signed by the respective representatives of the Parties and attached as Exhibit D after expiration or earlier termination of the Lease. This second EBS will document the environmental conditions and matters on and affecting the Land on the ending date of the Lease as determined from the records and analyses reflected therein. If the Parties cannot agree to a particular condition or matter reflected in either EBS, the Lessee may attach an addendum to the EBS explaining its disagreement with the Air Force's determination as to such condition and the reasons therefore. Disagreements will be resolved per Section 21 of this lease.

## **5. CONSIDERATION**

- 5.1 The consideration for this Lease is part of and non-severable from the consideration cited in the Contract.

## **6. CONTRACT**

- 6.1 The Contract sets forth detailed procedures and requirements to be followed by the Lessee in the design and construction of the Project. Any amendments to the Contract that impact the Lease shall be specifically incorporated into the Lease.
- 6.2 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.

## 7. USE OF THE LAND

- 7.1 The Land shall be used for execution and construction of the Project, as specified in the Contract, and such private development as the Lessee deems appropriate.
- 7.2 The National Historic Preservation Act, 16 U.S.C. 470a, and the Archaeological Resources Protection Act, 16 U.S.C. 470 et seq., impose certain obligations on the Air Force to preserve historic and/or archaeological properties. The Air Force represents that it has no knowledge of any such artifacts, relics, remains or objects on the Land. **Lessee shall not excavate and/or alter the Land without the approval of the Air Force.** If archaeological or historic materials are encountered, the Lessee shall stop work immediately and notify the Air Force.

## 8. DEFAULT AND TERMINATION

- 8.1 Any default or breach of this Lease will be cause for termination of the Contract in accordance with its termination provisions. Lender will need notice of default and opportunity to cure default.
- 8.2 Any default or breach of the Contract will be cause for termination of this Lease. Lender will need notice of default and opportunity to cure default.
- 8.3 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 Air Force to the Lessee (with a copy to the Lender) shall constitute a default and breach of this Lease by the Lessee. In the event, however, that the default is of such a nature that it cannot be cured within said thirty (30) days, the Lessee shall not be deemed to be in default and breach of this Lease if the Lessee or the Lender within such period shall begin the actions necessary to cure the default in accordance with a compliance schedule approved by the Air Force, and Lessee or the Lender diligently continues to comply with said compliance schedule in a manner satisfactory to the Air Force.
- 8.4 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 21 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 Lessee's period for cure shall not begin until the day after the final decision on the dispute is issued.

## 9. TAXES

- 9.1 The Lessee shall be responsible for the payment of all taxes, assessments and similar charges on the Land as the same become due and payable.

## **10. RESTORATION AND SURRENDER**

10.1 Upon expiration of the Lease, or upon any termination of the Lease, the Lessee shall discontinue its operations on the Land and vacate the Land in accordance with the Contract.

## **11. ENVIRONMENTAL PROTECTION**

11.1 The Lessee shall comply with all Federal, State, and local laws, regulations and standards that are or may become applicable to Lessee's activities on the Land.

11.2 The Lessee shall be responsible for obtaining at its cost and expense any environmental permits required for its operations under the Lease independent of any existing permits issued to the Air Force.

11.3 The Lessee shall be responsible for, and indemnify, save, and hold harmless the Air Force from, any claims for damages or other costs, expenses, liabilities, fines, or penalties resulting in any way from releases, discharges, emissions, spills, storage, handling, disposal, or any other acts or omissions by the Lessee, its officers, agents, employees, contractors, subcontractors or licensees, or the invitees of any of them, from and after the Term Beginning Date giving rise to Air Force civil or criminal liability or responsibility under Federal, State or local environmental laws. The Lessee shall remediate any such releases, discharges, emissions, spills, storage, handling, disposal, or any other act or omission by the Lessee to the satisfaction of the appropriate environmental regulatory agency. This Section shall survive the expiration or sooner termination of this Lease, and the Lessee's obligations hereunder shall apply whenever the Air Force incurs costs or liabilities of the types described in this Section 11.

11.4 The Air Force shall not be responsible for any handling, removal or containment of asbestos or asbestos containing material (collectively, the "ACM"), or any liability related to ACM; provided, however, that the Air Force shall be responsible for any claims or liability based upon or relating to the presence of ACM on or before the Term Beginning Date brought by third parties against the Air Force or Lessee and its successors, grantees and assigns. The Lessee shall be responsible for removal and disposal of all ACM in the improvements on the Land and shall incorporate an asbestos disposal plan into the plans for demolition of improvements submitted to the Air Force for approval. The asbestos disposal plan shall, among other things, identify the proposed disposal site for the asbestos. Removal and disposal of ACM must be carried out in strict compliance with all applicable Federal, State and local laws, rules, regulations, and standards.

11.5 The Lessee shall strictly comply with all applicable Federal, (including 10 U.S.C. § 2692), State, and local laws, ordinances, rules, regulations, and other requirements relating to occupational safety and health, the handling and storage of hazardous materials, and the proper generation, handling, accumulation, treatment, storage, disposal, and transportation of hazardous wastes, as it relates to the Land.

11.6 The Lessee shall strictly comply with the hazardous waste permit requirements under the

Resource Conservation and Recovery Act, as amended ("RCRA") or its State equivalent and any other applicable laws, ordinances, rules, and regulations, as it relates to the premises. The Lessee will not accomplish any treatment, storage or disposal of hazardous waste requiring a permit under RCRA unless the Lessee is in possession of a valid permit issued to it under RCRA. The Lessee shall not treat, store, or dispose of any hazardous waste under, pursuant to, or in reliance upon any permit issued to the Air Force. The Lessee shall be liable for any violations of these requirements by any tenants, and shall be liable for the cost of proper disposal of any hazardous waste generated by any tenants in the event of failure by the tenants to dispose properly of such wastes.

11.6.1 The Lessee shall provide at its own expense such hazardous waste storage facilities relating to the Lessee's use or release of any toxic or hazardous waste, substance or materials, complying with all laws and regulations, as it may need for such storage. Air Force hazardous waste storage facilities will not be available to the Lessee without approval by the Air Force. Any storage of such materials must be in accordance with 10 U.S.C. § 2692 or other applicable laws and regulations.

**11.6.2 Air Force accumulation points for hazardous and other wastes will not be used by the Lessee without approval of the Air Force. Neither will the Lessee permit its hazardous waste to be commingled with hazardous waste of the Air Force without approval of the Air Force.**

11.6.3 Any violation of the requirements of this Section 11.6 shall constitute a material breach of this Lease.

11.7 The Air Force expressly acknowledges that it fully understands that some or all of the response actions to be undertaken with respect to the execution of the Contract may impact the Lessee's quiet use and enjoyment of the Land. The Lessee agrees that notwithstanding any other provision of this Lease, the Air Force assumes no liability except to the extent mandated by applicable laws, to the Lessee should implementation of the Contract or other hazardous waste cleanup requirements, whether imposed by law, regulatory agencies, or the U.S. Air Force or the Department of Defense, interfere with the Air Force's use of the Land. The Lessee shall have no claim against the Air Force or any officer, agent, employee or contractor thereof on account of any such interference, whether due to entry, performance or remedial or removal investigations, or exercise of any right with respect to the Contract or under this Lease or otherwise, provided, however, that (a) the Lessee shall cooperate with the Air Force to eliminate or reduce, to the extent possible, any such interference with the Air Force's use of the Land; and (b) the Lessee shall be and remain responsible to the extent mandated by applicable laws for all personal injury or property damage caused by the Lessee as a result of the execution of the Contract or actions taken with respect thereto. Any monitoring wells, pumping wells and treatment facilities on the Land shall be designed and installed by the Lessee to be as inconspicuous as practicable. The Lessee shall repair any damage caused by its exercise of the above rights.

11.8 The Lessee agrees to comply with the provisions of any health or safety plan in effect in accordance with the execution of the Contract, or any hazardous substance remediation or response agreement with environmental regulatory authorities during the course of any of

the above described response or remedial actions. Any inspection, survey, investigation, or other response or remedial action will, to the extent practicable, be coordinated with representatives designated by the Air Force. The Lessee, assignees, licensees, or invitees shall have no claim against the Air Force or any officer, agent, employee, contractor, or subcontractor thereof on accounts of such entries provided, however, that; (a) the Lessee shall cooperate with the Air Force to eliminate or reduce, to the extent, practical, any such interference with the Air Force's use of the Land; and (b) the Lessee shall be and remain responsible for all personal injury or property damage caused by the Lessee as a result of the execution of the Contract or actions taken with respect thereto.

- 11.9 The Lessee shall maintain and make available to the Air Force all records, inspection logs, and manifests that track the generation, handling, storage, treatment and disposal of hazardous waste, as well as all other records required by applicable laws and requirements relating to the Lessee's environmental clean-up and remediation with respect to Lessee's activities on the Land under this Lease. The Air Force will supply similar information to the Lessee with regard to any clean up and remediation by the Air Force with respect to the Land or adjoining property. The Air Force reserves the right to inspect any hazardous waste facility of Lessee and the Lessee records for compliance with Federal, State, local laws, regulations, and other requirements relating to the generation, handling, storage, treatment and disposal of hazardous waste, as well as to the discharge or release of hazardous substances. Violations will be reported by the Air Force to appropriate regulatory agencies, as required by applicable law. The Lessee will be liable for the payment of any fines and penalties that may accrue as a result of the actions of the Lessee.
- 11.10 The Lessee shall have a completed and approved plan prior to commencement of operations on the Land for responding to hazardous waste, fuel, and other chemical spills. Such plan shall comply with all applicable requirements and shall be updated from time to time as may be required to comply with changes in site conditions or applicable requirements and shall be approved by all agencies having regulatory jurisdiction over such plan to the extent required. The plan shall be independent of Air Force spill prevention and response plans. Except for initial fire response and/or spill containment, the Lessee shall not rely on use of Air Force personnel or equipment in execution of its plan. The Lessee shall file a copy of the approved plan and approved amendments thereto with the Air Force within fifteen (15) days of the Term Beginning Date. Should the Air Force provide any personnel or equipment, whether for initial fire response and/or spill containment or otherwise on request of the Lessee or because the Lessee was not, in the opinion of the Air Force, conducting timely cleanup actions, the Lessee agrees to reimburse the Air Force for its cost in accordance with all applicable laws and regulations. Further, to the extent required by law and applicable regulations, the Lessee agrees to comply with the requirements of the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001-11050) and the Pollution Prevention Act (42 U.S.C. § 13101-13109).
- 11.11 Prior to the storage, mixing, or application of any pesticide, as that term is defined under the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA), the Lessee shall prepare a plan for storage, mixing and application of pesticides ("Pesticide Management Plan"). The Pesticide Management Plan shall be sufficient to meet all applicable Federal, State, and

local pesticide requirements. The Lessee shall store, mix, and apply all pesticides within the Land only in strict compliance with the Pesticide Management Plan. The pesticides will only be applied by a licensed applicator.

- 11.12 The Lessee shall comply with all requirements of the Federal Water Pollution Control Act (FWPCA), the National Pollutant Discharge Elimination System (NPDES), and any applicable State or local requirements. If the Lessee discharges wastewater to a publicly owned treatment works, the Lessee must submit an application for its discharge ("Pretreatment Permit Application") prior to the Term Beginning Date. The Lessee will be responsible for meeting all applicable wastewater discharge permit standards. Any wastewater discharge by the Lessee under the authority of any NPDES permit, pretreatment permit or any other permit issued to the Lessee must be with the consent of Air Force. The Lessee or its representatives, agents or contractors shall make no use of any septic tank installed on the premises. The Lessee agrees to inform and coordinate with the Air Force regarding all wastewater discharge activities.
- 11.13 The Lessee shall notify the Air Force of the Lessee's intent to possess, store, or use any licensed or licensable source or by-product materials, as those terms are defined under the Atomic Energy Act and its implementing regulations; of the Lessee's intent to possess, use, or store radium; and of the Lessee's intent to possess or use any equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulations, at least sixty (60) days prior to the entry of such materials or equipment upon the premises. Upon notification, the Air Force may impose such requirements, including prohibition of possession, use, or storage, as deemed necessary to adequately protect human health and the environment. Thereafter, the Lessee must notify the Air Force of the presence of all licensed or licensable source or by-product materials, of the presence of all radium, and the presence of all equipment producing ionizing radiation and subject to specific licensing requirements or other individual regulation; provided, however, that the Lessee need not make either of the above notifications to the Air Force with respect to source and by-product material which is exempt from regulation under the Atomic Energy Act.
- 11.14 The Lessee shall not remove or disturb or cause or permit to be removed or disturbed, any historical, archeological, architectural or other cultural artifacts, relics, remains or objects of antiquity. In the event such items are discovered on the Land, the Lessee shall immediately notify the Air Force and protect the site and the material from further disturbance until the Air Force gives clearance to proceed. The Air Force represents that it has no knowledge of any such artifacts, relics, remains or objects on the Land. The Air Force shall cooperate with the Lessee to avoid material interference or delay with respect to the Lessee's use of the Land pursuant hereto and the Contract.

## **12. COMPLIANCE WITH APPLICABLE LAWS**

- 12.1 The Lessee 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 Land, 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 Land.

### **13. GENERAL INDEMNIFICATION BY LESSEE**

- 13.1 The Lessee agrees to assume all risks of loss or damage to property and injury or death to persons by reason of or incident to the possession and/or use of the Land or the activities conducted by the Lessee under this Lease. The Lessee expressly waives all claims against the Air Force for any such loss, damage, personal injury or death caused by or occurring as a consequence of such possession and/or use of the Land by the Lessee or the conduct of activities or the performance of responsibilities under this Lease. The Lessee further agrees to indemnify, save, and hold harmless the Air Force, its officers, agents and employees from and against all suits, claims, demands or actions, liabilities, judgments, costs and attorneys' fees arising out of, claimed on account of or in any manner predicated upon personal injury, death or property damage resulting from, related to, caused by or arising out of the possession and/or use of the Land or any activities conducted or services furnished in connection with or pursuant to this Lease, and all claims for damages by the Lessee against the Air Force arising out of or related to their tenancy.

### **14. INSURANCE/REIMBURSEMENT**

- 14.1 The Lessee shall bear all risk of loss or damage or destruction to the Land, including any building(s), improvements, fixtures or other property, arising from any causes whatsoever, provided, however, that any loss, damage or destruction caused by the acts of the Air Force shall be the responsibility of the Air Force to the extent not covered by insurance required to be carried by Lessee under the Contract.

- 14.2 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 Land including any buildings thereon and adjoining sidewalks, streets, and passageways, 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 14.2. shall be available only for that purpose.
- 14.3 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.
- 14.4 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 14 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 14 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 pursuant to Section 8 upon receipt of any such cancellation notice, but only if the Lessee fails to cure such noncompliance to the extent allowed under Section 8.
- 14.5 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 14), 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.

## **15. CONSTRUCTION OF IMPROVEMENTS, INSTALLATIONS AND ALTERATIONS**

- 15.1 This Lease is subject to and conditioned on the Lessee constructing the Project in accordance with the Contract. All matters of ingress, egress, contractor haul routes, construction activity and disposition of excavated material in connection with the Project shall be coordinated with base/installation personnel, and shall be subject to the terms of this lease and the Contract.
- 15.2 During the term of this Lease, the Lessee shall have the right at its expense to install such of its own machinery and equipment and to attach such of its own removable fixtures in or upon the Land as may be necessary for its use of the Premises pursuant to this Lease.
- 15.3 All construction, repair, modification, alterations, installations or additions shall be in accordance with the applicable Federal, State and local laws and ordinances and without cost or expense to the Air Force.

## **16. UTILITIES AND SERVICES**

- 16.1 The Lessee will be responsible for utilities and services on the Land.

## **17. NOTICES**

- 17.1 Whenever the Air Force or the Lessee 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 Land, 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 Lessee may designate by notice given by certified mail:

If to the Lessee: \_\_\_\_\_

If to the Air Force: \_\_\_\_\_

## **18. ASSIGNMENTS, SUBLEASES AND LICENSES**

- 18.1 Any assignment, sublease or license shall be in accordance with Section 19 hereof and Section 3.2 of the Contract.
- 18.2 The Lessee shall neither transfer nor assign this Lease or any interest therein or any property on the Land, nor sublet the Land or any part thereof or any property thereon, nor grant any interest, privilege, or license whatsoever in connection with this Lease without the express

prior written consent of the Air Force or as provided in Section 19 hereof or upon execution by a mortgagee of its rights and remedies under its mortgage.

## **19. LIENS AND MORTGAGES**

- 19.1 Any lien or mortgage shall be in accordance with this Lease.
- 19.2 During the term of this Lease, the Lessee may encumber its interest in the Land by way of one or more loans secured by a mortgage or deed of trust subject to Section 19.3 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 Lessee hereunder as of the date of such certification.
- 19.3 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 Land, but may extend to or affect the leasehold interest of the Lessee in the Land and the ownership if any, by the Lessee 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 19.
- 19.4 Option to buy language to be determined if necessary.

## **20. DISPUTES**

- 20.1 Except as otherwise provided in this Lease, any dispute between the Air Force and the Lessee arising under this Lease shall be resolved in accordance with the purpose and intent of the Contract.
- 20.2 Before or in conjunction with pursuing any remedy which is available to it under law, by mutual agreement, 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.)
- 20.3 Except as otherwise provided in this lease, any dispute concerning a question of fact arising under this lease which is not disposed of by agreement shall be decided by the \_\_\_\_\_ (appointed representative of the Department of the Air Force) who shall reduce his decision to writing and mail or otherwise furnish a copy thereof to the Lessee.

The decision of the \_\_\_\_\_ (appointed representative of the Department of the Air Force) shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Lessee mails or otherwise furnishes to the \_\_\_\_\_ (Real Estate Directorate) a written appeal. The decision of the \_\_\_\_\_ Command or authorized representative for the determination of such appeals shall be final and conclusive. This provision shall not be pleaded in any suit involving a question of fact arising under this lease as limiting judicial review of any such decision to cases where fraud by such official or his representative or board is alleged: provided, however, that any such decision shall be final and conclusive unless the same is fraudulent or capricious or arbitrary or so grossly erroneous as necessarily to imply bad faith or is not supported by this substantial evidence. In connection with any appeal proceeding under this clause, the Lessee shall proceed diligently with the performance of the lease and in accordance with the decision of the \_\_\_\_\_ (appointed representative of the Department of the Air Force).

20.4 This "Disputes" clause does not preclude consideration of questions of law in connection with decisions provided for in paragraph 20.2 above. Nothing in this lease, however, shall be construed as making final the decision of any administrative official, representative or board on a question of law.

20.5 Judicial Review. The Lessee or the Air Force, after exhausting the administrative remedies specified in Condition 20.4 above, may pursue any remedy available to it under the law.

## 21. AMENDMENTS

21.1 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.

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

This Lease is executed by the Lessee this \_\_\_\_\_ day of \_\_\_\_\_.

By: \_\_\_\_\_

Title: \_\_\_\_\_