

STANDARD FORM 2  
FEBRUARY 1965 EDITION  
GENERAL SERVICES  
ADMINISTRATION  
FPR (41CFR) 101-11.601

## U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE: May 18, 2011

LEASE No. GS-09B-02775

THIS LEASE, made and entered into this date between David J. Nold

whose address is: [REDACTED]

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:  
3,995 rentable square feet (r.s.f.), yielding approximately 3,474 ANSI/BOMA Office Area square feet and related space located on the 1<sup>st</sup> Floor (Suite A, C, and E) at **1901 West Pacific Avenue, Suite 102, West Covina, CA 91790-2035** together with 11 onsite surface parking spaces, as depicted on the attached First generation Blue-Line Plan (Exhibit "A"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.
2. (Paragraph 2 has been deleted in its entirety)
3. (Paragraph 3 has been deleted in its entirety)
4. The Government may terminate this lease in whole or in part effective any time after the 5th year of this lease giving at least 60 days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.
5. (Paragraph 5 has been deleted in its entirety)

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

- A. The parking space(s) described in Paragraph 1 and parking spaces required by local code.
- B. 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. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 0CA2254 and its attachments.
- C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.

7. The following are attached and made a part hereof:

All terms, conditions, and obligations of the Lessor and the Government as set forth in the following:

- a) The Solicitation For Offers Number 0CA2254 (pages 1-45) (all references to SFO shall also refer to any Special Requirements and Amendments);
- b) Attachment # 1, Special Requirements (pages 1-6);
- c) GSA Form 3517B (pages 1-33);
- d) GSA Form 3518 (pages 1-7);
- e) Sheet no. 1-3 containing Paragraphs 9-28; 24 *V. B. OSW.*
- f) First generation Blue-Line Plan (Exhibit "A");

8. The following changes were made in this lease prior to its execution:

Paragraphs 2, 3 and 5 of this STANDARD FORM 2 were deleted in their entirety. Paragraphs 9 through 23 have been added. *24 V. B. OSW.*

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

LESSOR: David J. Nold

BY *David J. Nold*

(Signature)

(Signature)

IN PRESENCE OF:

*[Signature]*  
(Signature)

*[Redacted]*  
(Address)

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service:

BY *V. B. OSW.*

CONTRACTING OFFICER, GSA

SHEET NUMBER 1 ATTACHED TO AND FORMING A PART OF LEASE NO. GS-09B-02775

9. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following 10 years term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

10. The Government shall pay the Lessor annual rent as follows:

Rent Components - Years 1-5		
Office Area	Rate (\$/RSF)	Annual
Building Shell Rent	\$ 16.57	\$ 62,996.48
Operating Costs	\$ 7.76	\$ 29,503.52
Tenant Improvements	\$ 0.84	\$ 3,200.00
Total	\$ 25.17	\$ 95,700.00

Rent Components - Years 6-10		
Office Area	Rate (\$/RSF)	Annual
Building Shell Rent	\$ 19.76	\$ 75,127.52
Operating Costs	\$ 7.76	\$ 29,503.52
Total	\$ 27.52	\$ 104,631.04

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

David J. Nold

11. The Lessor shall have 30 calendar days from the receipt of the Government's Notice to Proceed to complete the Tenant Improvements referenced in "Attachment # 1, Special Requirements." All items specified in Lease Agreement and as delineated on the Government Special Requirements shall be provided by the Lessor.
12. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.2, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by \$7.04 per rentable square foot per annum for operating expenses.
13. **OVERTIME USAGE:** Pursuant to Paragraph 4.4, "Overtime Usage", upon request by the GSA Field Office Manager, the Lessor shall provide heating, ventilation, and air-conditioning (HVAC) at any time beyond normal service hours 6:00 a.m. - 7:00 p.m., Monday through Friday, and except Federal Holidays ("Normal Hours"), at a rate of \$0.00 per hour. The Lessor will not charge the Government if Lessor otherwise provides these services to other building tenants during the Government's overtime hours. The Lessor must submit a proper invoice quarterly to GSA Building Manager or designee located at the Laguna Niguel Office, located at 24000 Avila Road, Laguna Niguel, CA 92677-3405, to receive payment.
14. **24 HOUR ROOMS:** The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$0.00 per hour after "Normal Hours".
15. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established as \$16,000. The Tenant Improvement Allowance shall be amortized over the 5 year firm term of the lease agreement at an interest rate (amortization rate) of 0 % per year.
16. **BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:**
- The price proposal required to be provided by Lessor in SFO Paragraph 5.9 (E), "Tenant Improvements Price Proposal," must be based upon the results of a competitive proposal process meeting all of the requirements of SFO Paragraph 5.2, B (1) through (9), entitled, "Tenant Improvements Pricing Requirements." The Government has the right, but not the obligation, to accept cost or pricing data as described in GSA Form 3517 in lieu of a competitive price proposal.
  - Failure to submit these budget and price proposals referenced above will constitute Lessor delay. In the event that either the budget proposal or price proposal exceeds the Tenant Improvement Allowance specified in the Lease, then the construction schedule shall be revised to afford the Government sufficient time to review and resolve the difference.
  - The construction schedule required in Paragraph 5.9 (F), "Construction of Tenant Improvements," of the SFO shall also include adequate time for additional review by the Government of revised design intent drawings and Working Drawings/Construction Drawings. All references to "working days" in Paragraph 5.9, "Construction Schedule and Acceptance of Tenant Improvements" of the SFO shall not include the period from December 15 through January 1 of any calendar year.

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- D. In addition to the submission requirements specified under Paragraph 5.9, "Construction Schedule and Acceptance of Tenant Improvements," Lessor shall provide to the Government the final total costs of the completed Tenant Improvements in CSI format 10 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

17. ACCEPTANCE OF SPACE:

- A. The following is added to Paragraph 5.9 G (1), "Acceptance of Space and Certificate of Occupancy": Subsequent Government inspections and notification of the results of such inspections shall be made in accordance with the foregoing procedure. Time frames for subsequent inspections will be established by the Government.
- B. Any items that have been identified at the acceptance of the space as punchlist items to be completed or corrected and which do not affect beneficial occupancy shall be completed by the Lessor within 30 calendar days of acceptance.
- C. Neither the Government's acceptance of the Premises for occupancy or acceptance of related appurtenances, nor the Government's occupancy of the Premises, shall be construed as a waiver of any requirement or right of the Government under this lease, or as otherwise prejudicing the Government with respect to any such requirement or right, or as an acceptance of any latent defect or condition.

18. OCCUPANCY REPORTS:

- A. Building Systems: As part of its obligations under SFO, Paragraph 8.2 "Building Systems," of the SFO, the Lessor shall furnish at no cost to the Government a required building system report prior to the Government's occupancy of the Premises.
- B. Acoustical Requirements: As part of its obligations under SFO, Paragraph 6.8 "Acoustical Requirements" of the SFO, the Lessor shall furnish at no cost to the Government a required acoustical report prior to the Government's occupancy of the Premises.

19. UNAUTHORIZED IMPROVEMENTS: All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and the Lessor. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the terms of the lease agreement or authorized in writing by the GSA Contracting Officer. **If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation.**

20. Wherever the words "Offeror", "Lessor" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "Solicitation for Offers", or "SFO" appear in this Lease, they shall be deemed to mean "this Lease"; wherever the words "space offered for lease" appear in this Lease, they shall be deemed to mean "Premises".

21. WAIVER OF RESTORATION: The Lessor hereby waives, releases and discharges, and forever relinquishes any right to make a claim against the Government for waste, damages, or restoration arising from or related to (a) the Government's normal and customary use of the leased premises during the term of the lease (including any extensions thereof), as well as (b) any initial or subsequent alteration to the leased premises, including cabling, or removal thereof, during the term of this lease (including any extensions thereof), where such alterations or removals are performed by the Lessor or by the Government with the Lessor's consent, which shall not be unreasonably withheld. The Government may, at its sole option, abandon property in the leased space following expiration of the Lease, in which case the property will become the property of the Lessor and the Government will be relieved of any liability in connection therewith.

22. CARPET TILE (AUG 2008):

- A. Any carpet to be newly installed pursuant to this paragraph shall meet the following specifications:

1. *Pile Yarn Content.* Pile Yarn Content. Pile yarn content shall be staple filament or continuous filament premium branded nylon branded by a major fiber producer [e.g., Invista (formerly DuPont), Solutia (formerly Monsanto), Shaw, and Honeywell (formerly BASF)].
2. *Environmental Requirements.* The Lessor shall use carpet tiles that meet the "Green Label Plus" requirements of the Carpet and Rug Institute unless an exception is granted by the Contracting Officer. Refer to the EPA's environmentally preferable purchasing web site, [www.epa.gov/epp](http://www.epa.gov/epp).
3. *Carpet Pile Construction.* Carpet pile shall be level loop, textured loop, level cut pile, or level cut/uncut pile.
4. *Pile Weight.* Pile weight shall be a minimum of 20 oz/square yard for level loop or textured loop construction. Pile weight shall be a minimum weight of 30 oz/yd<sup>2</sup> for level cut/uncut construction.
5. *Secondary Back.* The secondary backing shall be PVC free made from Polyurethane hardback, Thermoplastic Polyolefin Composite, Ethylene Vinyl Acetate-EVA, Polyurethane Cushion, or Olefin hardback reinforced with fiberglass.

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6. *Total Weight.* Total weight shall be a minimum of 90 oz/ square yard.
  7. *Density.* The density shall be a minimum of 5,000 oz/cubic yard.
  8. *Pile Height.* The minimum pile height shall be 1/8 inch. The combined thickness of the total product shall not exceed 1/2 inch (13 mm).
  9. *Static Buildup.* Static buildup shall be a maximum of 3.5 kilovolt, when tested in accordance with AATCC 134.
  10. *Flammability:* Carpet shall meet the flammability requirements of ASTE E-648 Test Method for Critical Radiant Flux of Floor Covering Systems Using a Radiant Heat Energy Source.
  11. *Carpet Construction.* Carpet construction shall be a minimum of 64 tufts per square inch.
  12. *Carpet Reclamation.* Dispose of any carpet replaced during the life of the lease from the site to a carpet recycling program or participate in a carpet buyback program. When carpet is replaced, submit documentation of carpet reclamation to GSA.
- B. Should the Government occupy the premises beyond the initial 10 year term, all Government-demised areas which are designated by GSA for cyclic carpet replacement shall be recarpeted every ten (10) years with a product meeting this lease's requirements. This cost, including the moving and returning of furnishings, including disassembly and reassembly of systems furniture, will be borne by the Lessor as part of the shell rent.
23. The [REDACTED] PROTECTION REQUIREMENT specified in Solicitation No. 0CA2254 Paragraph 10.16, "[REDACTED] Protection Requirements (Nov 2005) (Building Shell)" shall hereby be waived.
  24. Should any of the provisions of Lease No. GS-09B-02775 conflict with the provisions of Solicitation No. 0CA2554, the lease provisions take precedent.

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Lessor Government