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Jon F. McKinley, Esq.
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El Cajon, CA 92020

THE ORIGINAL OF THIS DOCUMENT
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DOCUMENT NUMBER 2001-0311662
GREGORY J. SMITH, COUNTY RECORDER
SAN DIEGO COUNTY RECORDER'S OFFICE
TIME: 3:45 PM

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STEWART TITLE OF SACRAMENTO
By 

203066655-450

600-080-16-00

MEMORANDUM OF LEASE

This Memorandum of Lease (Memorandum) dated as of May 9, 2001 is entered into between Barbara Daley, Successor Trustee of the Lawrence A Daley Trust (Landlord) and the United States of America (Tenant).

Recitals

A. On or about May 9, 2001, Landlord and Tenant entered into a U.S. Government Lease for Real Property (Lease), pursuant to which Landlord leased to Tenant and Tenant leased from Landlord real property, more particularly described in attached Exhibit A and incorporated by reference (Premises).

B. Landlord and Tenant desire to execute this Memorandum to provide constructive notice of Tenant's rights under the Lease to all third parties.

For good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties agree as follows:

1. Term.

Landlord leases the Premises to Tenant for a term of five (5) years commencing on October 1, 2001 and ending on September 30, 2006.

2. Lease Terms.

This lease of the Premises to Tenant is pursuant to the Lease, which is incorporated in this Memorandum by reference.

3. Right of Extension.

Tenant shall have options to renew the lease thru the year 2021.

4. Assignment.

Tenant's rights and obligations under the Lease shall not be assigned, except to another government agency without Landlord's prior written consent, and any assignment without this consent shall be void.

5. Successors and Assigns.


This Memorandum and the Lease shall bind and inure to the benefit of the parties and their respective heirs, successors, and assigns, subject, however, to the provisions of the Lease on assignment.

6. Governing Law.

This Memorandum and the Lease are governed by California law.

Executed as of the date first above written.

LANDLORD:


BARBARA J. DALEY, Successor Trustee
Of the Lawrence A. Daley Trust

TENANT:

UNITED STATES OF AMERICA
DEPARTMENT OF JUSTICE
U.S. I.N.S.

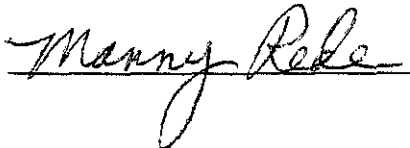
By: 

EXHIBIT A

That unimproved 3 acre portion of Section 30, Township 17 South, Range 2 East in Rancho Jamul, as the same is fully described in the Patent from the United States of America to Maria A. Burton, et al., recorded in Book 2 of Patents at Page 121, et seq., in the Office of the County Recorder of said County of San Diego, and as shown on the plat of said Rancho Jamul attached to and recorded with said Patent, described in Parcel 19 of a Deed recorded July 1, 1991 at Document No. 1991-0320579 of Official Records of said County of San Diego, surrounding the Border Patrol Checkpoint on California Highway 94 which is on the North side of Roadway at a point 1/4 mile East of Otay Lakes Road.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of

San Diego

SS.

On 5-9-01

Date

, before me,

Jon F. McKinley, notary public

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared

Barbara J. Daley

Name(s) of Signer(s)

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence



to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Place Notary Seal Above

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____

Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Orange } ss.

On May 14 2001, before me, Ramona M Scott Notary Public

Date

Name and Title of Officer (e.g., "Jane Doe, Notary Public")

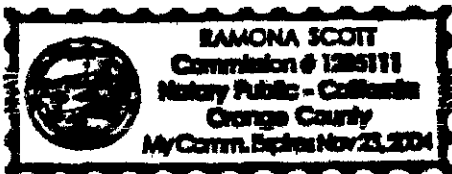
personally appeared Manny Rede

Name(s) of Signer(s)

☐ personally known to me

☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

Ramona M Scott
Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: _____

Document Date: _____ Number of Pages: _____

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer

Signer's Name: _____

☐ Individual

☐ Corporate Officer — Title(s): _____

☐ Partner — ☐ Limited ☐ General

☐ Attorney in Fact

☐ Trustee

☐ Guardian or Conservator

☐ Other: _____

Signer Is Representing: _____

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here.

GOVERNMENT CODE 27361.7

I CERTIFY UNDER PENALTY OF PERJURY THAT THE NOTARY SEAL ON THE DOCUMENT TO WHICH THIS STATEMENT IS ATTACHED READS AS FOLLOWS:

Name of the Notary: RAMONA SCOTT

Commission Number: 128511 Date Commission Expires: 11.23.2004

County Where Bond is Filed: ORANGE COUNTY

Manufacturer or Vendor Number: NNA1
(Located on both sides of the notary seal border)

Signature:  _____

Firm Name (if applicable)
KEN CYR CHICAGO TITLE

Place of Execution: SAN DIEGO, CA Date: 5/16/01

Department of Justice
Immigration and Naturalization Service
Standard Lease Agreement

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

DATE OF LEASE.

LEASE NO.

WRO-96-60

THIS LEASE, made and entered into this date by and between **Lawrence A. Daley Trust**

whose address is **14726 Canpo Road
Jamul, CA 92305**

and whose interest in the property hereinafter described is that of **Property Owner**

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WITNESSETH: The parties hereto for the consideration hereinafter mentioned, covenant and agree as follows:

1. The Lessor hereby leases to the Government the following described premises: **Subject Property Is An Unimproved 3+/- Acre Parcel Of Land Adjacent To Border Patrol Checkpoint On California Highway 94 Which Is On The North Side Of Roadway At A Point ¼ Mile East Of Otay Lakes Road.**

to be used for **Border Patrol Facilities Associated With California Highway 94 Checkpoint.**

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on **October 1, 2001**

Through **September 30, 2005**, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of **\$9,363.60** at the rate of **\$780.30** per month in arrears.

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

**Lawrence A. Daley Trust
14726 Canpo Road
Jamul, CA 92305**

4. The Government may terminate this lease at any time after by giving at least **90** days notice in writing to the Lessor and 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. This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

October 1, 2006 Through September 30, 2011

October 1, 2011 Through September 30, 2016

October 1, 2016 Through September 30, 2021

Rent For Any Renewal Term Shall Be A Flat Rate Determined To Be Market By A California Certified Appraiser, subject to the agreement of both parties.

All other terms and conditions of this lease shall remain the same during any renewal term.

6. The Government shall be responsible for all improvements located upon property.

Upon termination of this lease, the Government shall return the property to a condition which is represented by other undeveloped native lands along California Highway 94. This shall include re-vegetation of the property using native plant materials. The Lessor reserves the right to request the Government to abandon the water well and/or septic systems.

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

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

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

LESSOR

BY Barbara Jelen
(Signature)

(Signature)

IN PRESENCE OF:

Joy
(Signature)

2494 Fletcher Pkwy El Cajon, Ca
(Address)

UNITED STATES OF AMERICA
Department of Justice
Immigration and Naturalization Service

BY Manny Rede
(Signature)

Manny Rede, Contracting Officer
(Official title)

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

| <u>CATEGORY</u> | <u>Clause No.</u> | <u>48 CFR Ref.</u> | <u>Clause Title</u> |
|----------------------|-------------------|--------------------|--|
| DEFINITIONS | 1 | 552.270-10 | Definitions |
| GENERAL | 2 | 552.270-18 | Successors Bound |
| | 3 | 552.270-34 | Subordination, Nondisturbance and Attornment |
| | 4 | 552.270-35 | Statement of Lease |
| | 5 | 552.270-36 | Substitution of Tenant Agency |
| | 6 | 552.270-37 | No Waiver |
| | 7 | 552.270-38 | Integrated Agreement |
| | 8 | 552.270-39 | Mutuality of Obligation |
| | 9 | 552.270-32 | Effect of Acceptance and Occupancy |
| | 10 | 552.270-12 | Maintenance of Building and Premises-Right of Entry |
| | 11 | 552.270-13 | Fire and Casualty Damage |
| | 12 | 552.270-19 | Alterations |
| PAYMENT | 13 | 552.232-73 | Electronic Funds Transfer Payment (Variation) |
| | 14 | 52.232-23 | Assignment of Claims |
| | 15 | 552.203-5 | Covenant Against Contingent Fees |
| STANDARDS OF CONDUCT | 16 | 52.223-6 | Drug-Free Workplace |

INITIALS:

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GOVERNMENT

GENERAL CLAUSES
(Acquisition of Leasehold Interests in Real Property)

1. 552.270-10 - DEFINITIONS (AUG 1992)

The following terms and phrases (except as otherwise expressly provided or unless the context otherwise requires) for all purposes of this lease shall have the respective meanings hereinafter specified:

- (a) "Commencement Date" means the first day of the term.
- (b) "Contract" and "Contractor" means "Lease" and "Lessor," respectively.
- (c) "Contracting Officer" means a person with the authority to enter into, administer, and/or terminate contracts and make related determinations and findings. The term includes certain authorized representatives of the Contracting Officer acting within the limits of their authority as delegated by the Contracting Officer.
- (d) "Delivery Date" means the date specified in or determined pursuant to the provisions of this lease for delivery of the premises to the Government, improved in accordance with the provisions of this lease and substantially complete, as such date may be modified in accordance with the provisions of this lease.
- (e) "Delivery Time" means the number of days provided by this lease for delivery of the premises to the Government, as such number may be modified in accordance with the provisions of this lease.
- (f) "Excusable Delays" mean delays arising without the fault or negligence of Lessor and Lessor's subcontractors and suppliers at any tier, and shall include, without limitation, (1) acts of God or of the public enemy, (2) acts of the United States of America in either its sovereign or contractual capacity, (3) acts of another contractor in the performance of a contract with the Government, (4) fires, (5) floods, (6) epidemics, (7) quarantine restrictions, (8) strikes, (9) freight embargoes, (10) unusually severe weather, or (11) delays of subcontractors or suppliers at any tier arising from unforeseeable causes beyond the control and without the fault or negligence of both the Lessor and any such subcontractor or supplier.
- (g) "Lessor" means the sub-lessor if this lease is a sublease.
- (h) "Lessor shall provide" means the Lessor shall furnish and install at Lessor's expense.
- (i) "Notice" means written notice sent by certified or registered mail, Express Mail or comparable service, or delivered by hand. Notice shall be effective on the date delivery is accepted or refused.
- (j) "Premises" means the space described on the Standard Form 2, U.S. Government Lease for Real Property, of this lease.
- (k) "Substantially complete" and "substantial completion" means that the work, the common and other areas of the building, and all other things necessary for the Government's access to the premises and occupancy, possession, use and enjoyment thereof, as provided in this lease, have been completed or obtained, excepting only such minor matters as do not interfere with or materially diminish such access, occupancy, possession, use or enjoyment.
- (l) "Work" means all alterations, improvements, modifications, and other things required for the preparation or continued occupancy of the premises by the Government as specified in this lease.

2. 552.270-18 - SUCCESSORS BOUND (AUG 1992)

This lease shall bind, and inure to the benefit of, the parties and their respective heirs, executors, administrators, successors, and assigns.

3. 552.270-34 - SUBORDINATION, NONDISTURBANCE AND ATTORNMEN (AUG 1992)

- (a) Lessor warrants that it holds such title to or other interest in the premises and other property as is necessary to the Government's access to the premises and full use and enjoyment thereof in accordance with the provisions of this lease. Government agrees, in consideration of the warranties and conditions set forth in this clause, that this lease is subject and subordinate to any and all recorded mortgages, deeds of trust and other liens now or hereafter existing or imposed upon the premises, and to any renewal, modification or extension thereof. It is the intention of the parties that this provision shall be self-operative

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and that no further instrument shall be required to effect the present or subsequent subordination of this lease. Government agrees, however, within twenty (20) business days next following the Contracting Officer's receipt of a written demand, to execute such instruments as Lessor may reasonably request to evidence further the subordination of this lease to any existing or future mortgage, deed of trust or other security interest pertaining to the premises, and to any water, sewer or access easement necessary or desirable to serve the premises or adjoining property owned in whole or in part by Lessor if such easement does not interfere with the full enjoyment of any right granted the Government under this lease.

- (b) No such subordination, to either existing or future mortgages, deeds of trust or other lien or security instrument shall operate to affect adversely any right of the Government under this lease so long as the Government is not in default under this lease. Lessor will include in any future mortgage, deed of trust or other security instrument to which this lease becomes subordinate, or in a separate nondisturbance agreement, a provision to the foregoing effect. Lessor warrants that the holders of all notes or other obligations secured by existing mortgages, deeds of trust or other security instruments have consented to the provisions of this clause, and agrees to provide true copies of all such consents to the Contracting Officer promptly upon demand.
- (c) In the event of any sale of the premises or any portion thereof by foreclosure of the lien of any such mortgage, deed of trust or other security instrument, or the giving of a deed in lieu of foreclosure, the Government will be deemed to have attorned to any purchaser, purchasers, transferee or transferees of the premises or any portion thereof and its or their successors and assigns, and any such purchasers and transferees will be deemed to have assumed all obligations of the Lessor under this lease, so as to establish direct privity of estate and contract between Government and such purchasers or transferees, with the same force, effect and relative priority in time and right as if the lease had initially been entered into between such purchasers or transferees and the Government; provided, further, that the Contracting Officer and such purchasers or transferees shall, with reasonable promptness following any such sale or deed delivery in lieu of foreclosure, execute all such revisions to this lease, or other writings, as shall be necessary to document the foregoing relationship.
- (d) None of the foregoing provisions may be deemed or construed to imply a waiver of the Government's rights as a sovereign.

4. 552.270-35 - STATEMENT OF LEASE (AUG 1992)

- (a) The Contracting Officer will, within thirty (30) days next following the Contracting Officer's receipt of a joint written request from Lessor and a prospective lender or purchaser of the building, execute and deliver to Lessor a letter stating that the same is issued subject to the conditions stated in this clause and, if such is the case, that (1) the lease is in full force and effect; (2) the date to which the rent and other charges have been paid in advance, if any; and (3) whether any notice of default has been issued.
- (b) Letters issued pursuant to this clause are subject to the following conditions:
 - (1) That they are based solely upon a reasonably diligent review of the Contracting Officer's lease file as of the date of issuance;
 - (2) That the Government shall not be held liable because of any defect in or condition of the premises or building;
 - (3) That the Contracting Officer does not warrant or represent that the premises or building comply with applicable Federal, State and local law; and
 - (4) That the Lessor, and each prospective lender and purchaser are deemed to have constructive notice of such facts as would be ascertainable by reasonable prepurchase and precommitment inspection of the Premises and Building and by inquiry to appropriate Federal, State and local Government officials.

5. 552.270-36 - SUBSTITUTION OF TENANT AGENCY (AUG 1992)

The Government may, at any time and from time to time, substitute any Government agency or agencies for the Government agency or agencies, if any, named in the lease.

6. 552.270-37 - NO WAIVER (AUG 1992)

No failure by either party to insist upon the strict performance of any provision of this lease or to exercise any right or remedy consequent upon a breach thereof, and no acceptance of full or partial rent or other performance by either party during the continuance of any such breach shall constitute a waiver of any such breach of such provision.

7. 552.270-38 - INTEGRATED AGREEMENT (AUG 1992)

INITIALS:

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LESSOR

& MR
GOVERNMENT

This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of the Lease.

8. 552.270-39 - MUTUALITY OF OBLIGATION (AUG 1992)

The obligations and covenants of the Lessor, and the Government's obligation to pay rent and other Government obligations and covenants, arising under or related to this Lease, are interdependent. The Government may, upon issuance of and delivery to Lessor of a final decision asserting a claim against Lessor, set off such claim, in whole or in part, as against any payment or payments then or thereafter due the Lessor under this lease. No setoff pursuant to this clause shall constitute a breach by the Government of this lease.

9. 552.270-32 - EFFECT OF ACCEPTANCE AND OCCUPANCY (AUG 1992)

Neither the Government's acceptance of the premises for occupancy, nor the Government's occupancy thereof, shall be construed as a waiver of any requirement of or right of the Government under this Lease, or as otherwise prejudicing the Government with respect to any such requirement or right.

10. 552.270-12 - MAINTENANCE OF BUILDING AND PREMISES - RIGHT OF ENTRY (OCT 1996)

Except in case of damage arising out of the willful act or negligence of a Government employee, Lessor shall maintain the premises, including the building, building systems, and all equipment, fixtures, and appurtenances furnished by the lessor under this lease, in good repair and condition so that they are suitable in appearance and capable of supplying such heat, air conditioning, light, ventilation, safety systems, access and other things to the premises, without reasonably preventable or recurring disruption, as is required for the Government's access to, occupancy, possession, use and enjoyment of the premises as provided in this lease. For the purpose of so maintaining the premises, the Lessor may at reasonable times enter the premises with the approval of the authorized Government representative in charge.

11. 552.270-13 - FIRE AND CASUALTY DAMAGE (AUG 1992)

If the entire premises are destroyed by fire or other casualty, this lease will immediately terminate. In case of partial destruction or damage, so as to render the premises untenantable, as determined by the Government, the Government may terminate the lease by giving written notice to the Lessor within 15 calendar days of the fire or other casualty; if so terminated, no rent will accrue to the Lessor after such partial destruction or damage; and if not so terminated, the rent will be reduced proportionately by supplemental agreement hereto effective from the date of such partial destruction or damage. Nothing in this lease shall be construed as relieving Lessor from liability for damage to or destruction of property of the United States of America caused by the willful or negligent act or omission of Lessor.

12. 552.270-19 - ALTERATIONS (JUNE 1985)

The Government shall have the right during the existence of this lease to make alterations, attach fixtures, and erect structures or signs in or upon the premises hereby leased, which fixtures, additions or structures so placed in, on, upon, or attached to the said premises shall be and remain the property of the Government and may be removed or otherwise disposed of by the Government. If the lease contemplates that the Government is the sole occupant of the building, for purposes of this clause, the leased premises include the land on which the building is sited and the building itself. Otherwise, the Government shall have the right to tie into or make any physical connection with any structure located on the property as is reasonably necessary for appropriate utilization of the leased space.

13. 552.232-73 - ELECTRONIC FUNDS TRANSFER PAYMENT (AUG 1992) (Variation)

- (a) The Government will make payments under this lease by electronic funds transfer (EFT). After award, but no later than 30 days before the first payment, the Lessor shall designate a financial institution for receipt of EFT payments, and shall submit this designation to the Contracting Officer or other Government official, as directed.
- (b) The Lessor shall provide the following information:
 - (1) The lease number to which this notice applies.
 - (2) The American Bankers Association 9-digit identifying number for wire transfers of the financing institution receiving payment if the institution has access to the Federal Reserve Communications System.
 - (3) Number of account to which funds are to be deposited.

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- (4) Type of depositor account ("C" for checking, "S" for savings).
 - (5) If the Lessor is a new enrollee to the EFT system, a completed "Payment Information Form," SF 3881.
- (c) In the event the Lessor, during the performance of this contract, elects to designate a different financial institution for the receipt of any payment made using EFT procedures, notification of such change and the required information specified in (b), above must be received by the appropriate Government official no later than 30 days prior to the date such change is to become effective.
 - (d) The documents furnishing the information required in this clause must be dated and contain the signature, title, and telephone number of the Lessor or an authorized representative designated by the Lessor, as well as the Lessor's name and lease number.
 - (e) Lessor failure to properly designate a financial institution or to provide appropriate payee bank account information may delay payments of amounts otherwise properly due.

14. 52.232-23 - ASSIGNMENT OF CLAIMS (JAN 1986)

- (a) The Contractor, under the Assignment of Claims Act, as amended, 31 USC 3727, 41 USC 15 (hereafter referred to as the "the Act"), may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any Federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.
- (b) Any assignment or reassignment authorized under the Act and this clause shall cover all unpaid amounts payable under this contract, and shall not be made to more than one party, except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.
- (c) The Contractor shall not furnish or disclose to any assignee under this contract any classified document (including this contract) or information related to work under this contract until the Contracting Officer authorizes such action in writing.

15. 552.203-5 - COVENANT AGAINST CONTINGENT FEES (FEB 1990)

- (a) The Contractor warrants that no person or agency has been employed or retained to solicit or obtain this contract upon an agreement or understanding for a contingent fee, except a bona fide employee or agency. For breach or violation of this warranty, the Government shall have the right to annul this contract without liability or, in its discretion, to deduct from the contract price or consideration, or otherwise recover the full amount of the contingent fee.
- (b) "Bona fide agency," as used in this clause, means an established commercial or selling agency (including licensed real estate agents or brokers), maintained by a Contractor for the purpose of securing business, that neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds itself out as being able to obtain any Government contract or contracts through improper influence.

"Bona fide employee," as used in this clause, means a person, employed by a Contractor and subject to the Contractor's supervision and control as to time, place, and manner of performance, who neither exerts nor proposes to exert improper influence to solicit or obtain Government contracts nor holds out as being able to obtain any Government contract or contracts through improper influence.

"Contingent fee," as used in this clause, means any commission, percentage, brokerage, or other fee that is contingent upon the success that a person or concern has in securing a Government contract.

"Improper influence," as used in this clause, means any influence that induces or tends to induce a Government employee or officer to give consideration or to act regarding a Government contract on any basis other than the merits of the matter.

16. 52.223-6 DRUG-FREE WORKPLACE (JAN 1997)

- (a) Definitions. As used in this clause --

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"Controlled substance" means a controlled substance in schedules I through V of section 202 of the Controlled Substances Act (21 U.S.C. 812) and as further defined in regulation at 21 CFR 1308.11 - 1308.15.

"Conviction" means a finding of guilt (including a plea of nolo contendere) or imposition of sentence, or both, by any judicial body charged with the responsibility to determine violations of the Federal or State criminal drug statutes.

"Criminal drug statute" means a Federal or non-Federal criminal statute involving the manufacture, distribution, dispensing, possession, or use of any controlled substance.

"Drug-free workplace" means the site(s) for the performance of work done by the Contractor in connection with a specific contract at which employees of the Contractor are prohibited from engaging in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance.

"Employee" means an employee of a Contractor directly engaged in the performance of work under a Government contract. "Directly engaged" is defined to include all direct cost employees and any other Contractor employee who has other than a minimal impact or involvement in contract performance.

"Individual" means an offeror/contractor that has no more than one employee including the offeror/contractor.

- (b) The Contractor, if other than an individual, shall-- within 30 days after award (unless a longer period is agreed to in writing for contracts of 30 days or more performance duration), or as soon as possible for contracts of less than 30 days performance duration--
- (1) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition;
 - (2) Establish an ongoing drug-free awareness program to inform such employees about--
 - (i) The dangers of drug abuse in the workplace;
 - (ii) The Contractor's policy of maintaining a drug-free workplace;
 - (iii) Any available drug counseling, rehabilitation, and employee assistance programs; and
 - (iv) The penalties that may be imposed upon employees for drug abuse violations occurring in the workplace;
 - (3) Provide all employees engaged in performance of the contract with a copy of the statement required by subparagraph (b)(1) of this clause;
 - (4) Notify such employees in writing in the statement required by subparagraph (b)(1) of this clause that, as a condition of continued employment on this contract, the employee will--
 - (i) Abide by the terms of the statement; and
 - (ii) Notify the employer in writing of the employee's conviction under a criminal drug statute for a violation occurring in the workplace no later than 5 days after such conviction.
 - (5) Notify the Contracting Officer in writing within 10 days after receiving notice under subdivision (b)(4)(ii) of this clause, from an employee or otherwise receiving actual notice of such conviction. The notice shall include the position title of the employee;
 - (6) Within 30 days after receiving notice under subdivision (b)(4)(ii) of this clause of a conviction, take one of the following actions with respect to any employee who is convicted of a drug abuse violation occurring in the workplace:
 - (i) Taking appropriate personnel action against such employee, up to and including termination; or
 - (ii) Require such employee to satisfactorily participate in a drug abuse assistance or rehabilitation program approved for such purposes by a Federal, State, or local health, law enforcement, or other appropriate agency; and
 - (7) Make a good faith effort to maintain a drug-free workplace through implementation of subparagraphs (b)(1) through (b)(6) of this clause.
- (c) The Contractor, if an individual, agrees by award of the contract or acceptance of a purchase order, not to engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while performing this contract.

INITIALS: BTD
LESSOR

& MA
GOVERNMENT

- (d) In addition to other remedies available to the Government, the Contractor's failure to comply with the requirements of paragraph (b) or (c) of this clause may, pursuant to FAR 23.506, render the Contractor subject to suspension of contract payments, termination of the contract for default, and suspension or debarment.

INITIALS: BTD & MR
LESSOR GOVERNMENT