

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1
	TO LEASE NO. GS-09B-02800
ADDRESS OF PREMISES 5430 INDUSTRIAL WAY BENICIA, CA 94510-1037	PDN Number: N/A

THIS AMENDMENT is made and entered into between

E & P PROPERTIES, INC

whose address is: 5400 INDUSTRIAL WAY
BENICIA, CA 94510-1037

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

WHEREAS, the parties hereto desire to amend the above Lease to expand the lease space and extend the lease firm term. NOW THEREFORE, these parties for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, covenant and agree that the said Lease is amended, effective upon the execution of the Government as follows:

Paragraphs 1, 3 and 4 are revised; Paragraphs 9 through 12 are added as follows:

"1. PREMISES - The Lessor hereby leases to the Government the following described premises located at 5430 Industrial Way, Benicia CA:

- Block A - 12,000 rentable square feet (RSF), yielding approximately 11,447 ANSI/BOMA Office Area square feet and related space together with 8 onsite reserved, secure parking spaces;
- Block B - 6,000 rentable square feet (RSF) of storage and related spaces, to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION."

3. RENTAL RATES - The Government shall pay the Lessor annual rent as follows:

Rates for the existing space include (Shell at \$18.00 per rsf, Op Cost at \$8.86 per rsf and TI at \$0.00 per rsf) and the rates for the expansion space are (Shell at \$9.00 per rsf, Op Cost at \$1.92 and TI at 3.96 per rsf).

Period of	Existing Space (12,000 RSF)			Expansion Space (6,000 RSF)			Total Annual Rent
	Shell	Op Cost	TI	Shell	Op Cost	TI	
Feb 2011 - Oct 2013	\$216,000.00	\$106,320.00	\$0.00	\$0.00	\$0.00	\$0.00	\$322,320.00
Nov 2013 - Oct 2018	\$216,000.00	\$106,320.00	\$0.00	\$54,000.00	\$11,520.00	\$23,760.00	\$411,600.00
Nov 2018 - Feb 2022	\$216,000.00	\$106,320.00	\$0.00	\$54,000.00	\$11,520.00	\$0.00	\$387,840.00

This Lease Amendment contains 2 pages.

All other terms and conditions of the lease shall remain in force and effect.

IN WITNESS WHEREOF, the parties subscribed their names as of the below date.

FOR THE LESSOR:

Signature: [Signature]
 Name: DENNIS PAULLEY
 Title: PRESIDENT
 Entity Name: E & P PROPERTIES, INC.
 Date: 9/5/13

FOR THE GOVERNMENT:

Signature: [Signature]
 Name: LATINE FLORES
 Title: Lease Contracting Officer
 Entity: GSA, Public Buildings Service
 Date: 9/11/2013

WITNESSED FOR THE LESSOR BY:

Signature: [Signature]
 Name: CECILIA PAULLEY
 Title: OFFICE
 Date: 9-5-13

4. TERMINATION RIGHTS – The Government may terminate this lease in whole or in part effective any time after the fifth (5th) year by giving at least ninety (90) 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.

The **five year firm term shall reset** at the completion of the Tenant Improvements and subsequent space acceptance by the Government. New firm term period will be established by a subsequent Lease Amendment.

9. TENANT IMPROVEMENT ALLOWANCE: The maximum Tenant Improvement Allowance has been established at \$18.33 per rentable square foot. The Tenant Improvement Allowance shall be amortized over the five (5) year firm term of the lease agreement at an interest rate (amortization rate) of 2.99% per year.

The actual Tenant Improvement cost will be established, upon completion and acceptance of Tenant Improvement work, and incorporated into the rental rate by a subsequent Lease Amendment.

10. BUDGET AND PRICE PROPOSALS/CONSTRUCTION SCHEDULE:

- A. Failure to submit the 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.
- B. The construction schedule will be required and 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 the "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.*
- C. In addition to the submission requirements specified under "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 5 working days prior to "Substantial Completion". The space will not be considered acceptable for inspection until the Government receives the final tenant improvement costs.

11. ACCEPTANCE OF SPACE:

- A. "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.

12. 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."**

INITIALS:  & 
LESSOR GOVT