

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 3
	TO LEASE NO. GS-07P-LAR00083
ADDRESS OF PREMISES: 1520 RIVERFRONT DRIVE LITTLE ROCK, AR 72202	PDN: N/A

THIS AMENDMENT is made and entered into between MSDG LITTLE ROCK, LLC

whose address is: 1520 RIVERFRONT DR
LITTLE ROCK, AR 72202

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 issue accept the Leased premise as substantially complete.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective September 9, 2018, as follows:

1. To accept the Tenant Improvements as substantially complete; and
2. To re-state the Lease term; and
3. To re-state the expiration of the firm term of the Lease; and
4. To re-state the renewal rights of the Lease; and
5. To re-state the square footages of the Leased space; and
6. To provide the annual rental schedules and amounts; and
7. To re-state the Government's Percentage of Occupancy for Property Tax purposes; and
8. To re-state the rental reduction amount for vacant space; and
9. To re-state the Base amount for the Operating Cost adjustments; and
10. To re-state the Common Area Factor; and
11. To provide for the payment of the Tenant Improvements; and
12. All other terms and conditions are in full force and effect.

SEE PAGE 2

This Lease Amendment contains 4 pages, including Exhibit "A."

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: [Redacted]
Name: David G. Chandler
Title: President
Entity Name: MSDG LITTLE ROCK, LLC
Date: 9/18/18

FOR THE GOVERNMENT:

Signature: [Redacted]
Name: ADRIENNE JACKSON
Title: Lease Contracting Officer
GSA, Public Buildings Service
Date: 10/12/18

WITNESSED FOR THE LESSOR BY:

Signature: [Redacted]
Name: Dennis Embry
Title: Prop Mgr
Date: 9/18/18

1.) The tenant improvements have been *substantially* completed and the Government accepts the Leased premise on July 10, 2018. The Lessor and the Government agree that the requirements specifically identified in Attachment "A", GSA Form 1204 - Condition Survey Report of this Lease amendment have not been met and these items are deficiencies. The Lessor is required to cure these deficiencies as part of the negotiated Lease contract within 10 calendar days July 10, 2018. Within 7 calendar days of the completion date for the Lessor to cure the deficiencies in Attachment "A" of this Lease amendment, the Lessor must coordinate a follow-up inspection with the Lease Contracting Officer to ensure all corrective action has been completed. In the event of any failure by the Lessor to cure the deficiencies or to provide any required repair or modernization under this Lease, the Government will perform the work and deduct these amounts from the rent, including all administrative costs. No extensions will be granted.

2.) The Lease Term is restated as follows:

To have and To Hold the said Premises with its appurtenances for the term beginning June 1, 2017 through May 31, 2032, subject to termination rights set forth in the Lease.

3.) The firm term of the Lease expires on May 31, 2027. The Government may terminate this Lease, in whole or in part, at any time effective after June 1, 2027, by providing not less than **thirty (30)** days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

4.) The Renewal Rights are restated as follows:

This Lease may be renewed at the option of the Government for a term of **5 YEARS** at the following rental rate(s):

	OPTION TERM	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$294,100.85	\$14.45
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM THE EFFECTIVE YEAR OF THE LEASE. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

provided notice is given to the Lessor, on or before May 1, 2032, all other terms and conditions of this Lease, as same may have been amended, shall remain in full force and effect during any renewal term.

5.) The total Leased premise square footage shall be 20,353 Rentable Square Feet (RSF) yielding 17,249 ANSI/BOMA Office Area (ABOA). Included in the rent at no additional cost to the Government are three (3) surface/outside parking spaces as well as additional parking spaces as required by the applicable code as further described in Exhibit B, Parking Plan, of GS-07B-LAR00083.

Paragraph 7.03 of the Lease is restated as follows:

"The actual measurements of the Leased premises are 18,353 ABOA/ 21,656 RSF. The Lessor is offering 1,104 ABOA (yielding 1,303 RSF) of office and related space at no cost to the Government for the duration of the Lease Term. No TI allowance is provided for the 1,104 ABOA square footage of free space. Services will continue to be provided, but there shall be no operating cost escalations or tax reimbursements associated with the 1,104 ABOA square footage of free space at any time."

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

From September 9, 2018 through May 31, 2027, the total annual rental shall be \$432,312.33 at the rate of \$36,026.03 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$243,218.35, annual Operating Costs of \$146,327.48 (which includes Operating Cost Adjustments effective June 1, 2018), annual Tenant Improvement Amortization cost of \$40,857.32, and annual Building Specific Amortized Capital (BSAC) amortization of \$1,909.18.

From June 1, 2027 through September 8, 2028, the total annual rental shall be \$457,879.70 at the rate of \$38,156.64 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$270,694.90, annual Operating Costs of \$146,327.48 plus accrued annual Operating Cost adjustments, and annual Tenant Improvement Amortization cost of \$40,857.32. There are no Building Specific Amortized Capital (BSAC) amortization costs.

From September 9, 2028 through May 31, 3032, the total annual rent shall be \$417,022.38 at the rate of \$34,751.87 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$270,694.90 and annual Operating Costs of \$146,327.48 plus accrued annual Operating Cost adjustments. There are no annual Tenant Improvement or BSAC amortization costs.

- 7) The Government's' Percentage of Occupancy for Property Tax Reimbursement purposes shall be 86.63% $((20,353 \text{ RSF (Leased premise)} / 23,495 \text{ RSF (Building total RSF)} \times 100)$.
- 8) The Government's Adjustment for Vacant Space shall be a reduction of \$3.00/ABOA.
- 9) In accordance with the Lease paragraph entitled "Operating Cost Base", the escalation base shall be \$142,063.94 $(20,353 \text{ RSF} \times \$6.98)$.
- 10) The Common Area Factor shall be 18% $(((20,353 \text{ RSF} - 17,249 \text{ ABOA}) / 17,249 \text{ ABOA} \times 100 \text{ (rounded to the nearest whole percentage point per the Lease agreement)}))$.
- 11) The Lessor and the Government agree that the total cost of all improvements paid for by the Government is \$336,006.97. The total cost consists of \$321,006.97 of Tenant Improvements and \$15,000.00 of BSAC. The Tenant Improvement Allowance is \$344,980.00 and the BSAC Allowance is \$15,000.00.

The Government shall pay for the total TI and BSAC cost of \$336,006.97 by amortizing an amount of \$336,006.97 $[\$321,006.97 \text{ TI Allowance} + 15,000.00 \text{ BSAC Allowance (the amortized allowances)}]$ in the rent monthly for ten (10) years of the Lease term, in arrears, at five percent (5%) interest rate.
- 12) All other terms and conditions of the Lease shall remain in full force and effect.

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