

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 02
	TO LEASE NO. GS-09P-LAZ03183
LEASE AMENDMENT	
ADDRESS OF PREMISES 205 N. Marina Prescott, AZ 86301-3105	PDN Number:

THIS AMENDMENT is made and entered into between

MARINA PRESCOTT LLC

whose address is: 10449 SARAH STREET
TOLUCA LAKE, CA 91602

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 correct the square footage increasing it by 243 ABOA SF, to re-state the annual rent exclusive of operating costs adjustments, to extend the firm term by two years, to re-state the percentage of occupancy, and to add swing space language and related rent.

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 execution as follows:

Lease paragraphs 1.01, 1.03, 1.05, 1.08 and 1.13 are deleted in their entirety and the following are substituted therefore:

"1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: **9,340** rentable square feet (RSF), yielding **9,286** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **first** floor(s) and known as the [REDACTED] Suite(s), of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) is established as **1 (one)** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses."

This Lease Amendment contains 3 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: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
Entity Name: Marina Prescott LLC
Date: 6/20/16

FOR THE GOVERNMENT:

Signature: [REDACTED]
Name: [REDACTED]
Title: [REDACTED]
GSA, Pu [REDACTED]
Date: 7/13/2016

WITNESSED FOR THE LESSOR BY:

Signature: [REDACTED]
Name: [REDACTED]
Title: Owner
Date: 6/20/16

“1.03 RENT AND OTHER CONSIDERATION (SEP 2012)

A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates:

	FIRM TERM					NON FIRM TERM
	ANNUAL RENT (11/2/2014 – ACCEPTANCE OF TI'S)	ANNUAL RENT (ACCEPTANCE OF TI'S – YEAR 3)	ANNUAL RENT (YEARS 4 – 6)	ANNUAL RENT (YEARS 7 – 10)	ANNUAL RENT (YEARS 11 – 12)	ANNUAL RENT (YEARS 13 – 15)
SHELL RENT ¹	\$184,778.53	\$184,778.53	\$190,349.20	\$196,046.60	\$201,930.80	\$201,930.80
TENANT IMPROVEMENTS RENT ²	\$0.00	\$52,209.86	\$52,209.86	\$52,209.86	\$52,209.86	\$0.00
OPERATING COSTS ³	\$50,685.07	\$50,685.07	\$50,685.07	\$50,685.07	\$50,685.07	\$50,685.07
TOTAL ANNUAL RENT	\$235,463.60	\$287,673.46	\$293,244.13	\$298,941.53	\$304,825.73	\$252,615.87

¹Shell rent calculation: \$19.78 per RSF multiplied by 9,340 RSF for Years 1 – 3, \$20.38 per RSF for Years 4 – 6, \$20.99 per RSF for Years 7 – 10, \$21.62 per RSF for Years 11 – 15.

²The Tenant Improvement Allowance of \$403,645.70 or \$43.468200 per ABOA Square Foot, estimated to be \$5.59/RSF is amortized at a rate of 5.75 percent per annum upon acceptance of the Tenant Improvements from acceptance of the TI's through the end of Year 12 (acceptance of TI's for purposes of these calculations is estimated to be on 8/1/2016).

³Operating Costs rent calculation: \$5.43 per RSF multiplied by 9,340 RSF

In instances where the Lessor amortizes either the TI or Building Specific Amortized Capital for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 9,286 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

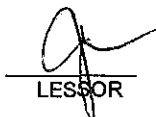

D. INTENTIONALLY DELETED

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR). If the payee is different from the Lessor, both payee and Lessor must be registered in CCR.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."
2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

INITIALS:  & 
LESSOR & GOVT

H. INTENTIONALLY DELETED”

“1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, which is the end of year 12 of the lease (November 1, 2026), by providing not less than 90 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.”

“1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$43,468,200 per ABOA SF. The TIA is the amount the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 5.75 percent.”

“1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government’s Percentage of Occupancy, as defined in the “Real Estate Tax Adjustment” paragraph of this Lease is 84.95 percent. The Percentage of Occupancy is derived by dividing the total Government Space of 9,340 RSF by the total Building space of 10,995 RSF.”

The following paragraph is added to and made a part of the lease:

“I. SWING SPACE AND FEES

The Government requires “Swing Space” for construction that will be done in occupied office space that needs to remain operational. This “Swing Space” has been estimated to be 1,655 RSF. The fee for the Swing Space has been agreed upon as \$31,292.20.

The increased Tenant Improvement Allowance needed for the project has required the Lessor to refinance the construction loan. A cumulative delay of seven (7) months on the Governments part, along with the fees associated with the new round of financing are as follows:

Loan Fee	\$ 1,500.00
Title Policy Endorsements	2,153.00
<u>Interest*</u>	<u>9,836.46</u>
Total	\$13,489.46

*Interest paid for 7 months (\$350,000 @ 4.75% on a 360 day basis = \$46.18 per day X 213 days)

The Government will pay the Lessor a one-time, fixed fee of \$44,781.66 (\$31,292.20 + \$13,489.46) for the “Swing Space and Fees”, effective June 15, 2016.”

INITIALS:  LESSOR &  GOVT