

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 2
LEASE AMENDMENT	TO LEASE NO. GS-09P-LCA03260
ADDRESS OF PREMISES 170 W. Commercial Ave Unit 2 El Centro, CA 92243-2520	

THIS AGREEMENT, made and entered into this date by and between **HAAS, ERICH R.**

whose address is: 331 E. ROSS AVE 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 establish Beneficial Occupancy, re-describe the Premises, adjust the rent schedule & add effective dates into the rent schedule, adjust the broker commission, establish the Government Termination Rights date, adjust the tenant improvement allowance, adjust the operating cost base, remove the hourly overtime HVAC rates, re-establish language in the paragraph titled "Utilities", remove the overtime HVAC usage paragraph, remove the warehouse electricity costs paragraph, and establish that the Government will pay for electricity consumption,

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon Government execution, as follows:


Paragraphs 1.01, 1.03A, 1.04, 1.06, 1.08, 1.15, 1.17, 6.02, 6.06 and 7.06 are hereby deleted in their entirety, and the following new Paragraphs 1.01, 1.03A, 1.04, 1.05, 1.08, 1.15, 1.17, 6.02, 6.06 and 7.06 are substituted therefore, and Paragraph 7.07 has been added to the Lease as follows:

This Lease Amendment contains 5 pages.

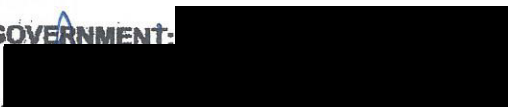
All other terms and conditions of the lease shall remain in force and effect.

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


FOR THE LESSOR:

Signature: 
 Name: Erich R Haas
 Title: Owner / Lessor
 Entity Name: Erich R Haas
 Date: 10-12-2016

FOR THE GOVERNMENT:

Signature: 
 Name: Daniel J. McGrath
 Title: Lease Contracting Officer
GSA, Public Buildings Service
 Date: 10/12/16

WITNESSED FOR THE LESSOR BY

Signature: 
 Name: THOMAS HANDBER
 Title: C.P.A.
 Date: 10-12-16

"Page 1 of the Lease entitled, "Lease Term"

To Have and To Hold the said Premises with its appurtenances for the term beginning on [REDACTED] through [REDACTED]

1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: 30,000 rentable square feet (RSF) consisting of the following: 18,940 square feet of Warehouse, 5,152 ANSI/BOMA OFFICE AREA (ABOA) square feet (SF), 5,908 of Free Space, and 1.99 acres of Wareyard as depicted on the Floor/ Parking/ Site/ Wareyard Plan attached hereto as Exhibit A.

B. Common Area Factor: The Common Area Factor (CAF) is established at 1.00 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.

INITIALS:



LESSOR

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1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

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

	Firm Term Year 1	Firm Term Year 2	Firm Term Year 3	Firm Term Year 4
	Annual Rent	Annual Rent	Annual Rent	Annual Rent
Shell Rent ¹	\$312,714.16	\$318,978.08	\$325,242.00	\$331,746.84
Tenant Improvements rent ²	\$233,563.97	\$233,563.97	\$233,563.97	\$233,563.97
Operating Costs ³	\$85,673.00	\$85,673.00	\$85,673.00	\$85,673.00
Total Annual Rent	\$631,951.13	\$638,215.05	\$644,478.97	\$650,983.81

	Firm Term Year 5	Non Firm Term Year 6	Non Firm Term Year 7	Non Firm Term Year 8
	Annual Rent	Annual Rent	Annual Rent	Annual Rent
Shell Rent ¹	\$338,492.60	\$345,238.36	\$352,225.04	\$359,211.72
Tenant Improvements rent ²	\$233,563.97	\$0.00	\$0.00	\$0.00
Operating Costs ³	\$85,673.00	\$85,673.00	\$85,673.00	\$85,673.00
Total Annual Rent	\$657,729.57	\$430,911.36	\$437,898.04	\$444,884.72

	Non Firm Term Year 9	Non Firm Term Year 10
	Annual Rent	Annual Rent
Shell Rent ¹	\$366,439.32	\$373,666.92
Tenant Improvements rent ²	\$0.00	\$0.00
Operating Costs ³	\$85,673.00	\$85,673.00
Total Annual Rent	\$452,112.32	\$459,339.92

¹Shell rent calculation: \$12.98 per RSF multiplied by 24,092 with 2% annual increases.

²The Tenant Improvement Allowance of \$959,917.45 is amortized at a rate of 8 percent over 5 years.

³Operating Costs rent calculation: \$3.55607671 multiplied by 24,092 RSF.

In instances where the Lessor amortizes either the TI or BSAC 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.

Paragraphs B – G remain in full force and effect

INITIALS:



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1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

- A. Jones Lang LaSalle Americas, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] and is earned upon Lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission will be payable to Jones Lang LaSalle Americas, Inc. with the remaining [REDACTED] which is the Commission Credit, to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.
- B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this Lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$52,662.59 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

Month 2 Rental Payment \$52,662.59 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.*

Month 3 Rental Payment \$52,662.59 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

1.05 Termination Rights (Aug 2011)

The Government may terminate this Lease in whole or in part effective anytime on or after September 12, 2021 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."

1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$959,917.45. The TIA is the amount that 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 8 percent.

1.15 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be \$85,673.00 per annum (\$3.55607671 per RSF).

~~1.17 HOURLY OVERTIME HVAC RATES (AUG 2014) PARAGRAPH INTENTIONALLY DELETED~~**6.02 UTILITIES (APR 2011)**

The Lessor is responsible for providing all utilities necessary for base Building and tenant operations as part of rental consideration with the exception that the Government shall be billed directly for electricity costs pursuant to Paragraph 7.07.

~~6.06 OVERTIME HVAC USAGE (JUN 2012) PARAGRAPH INTENTIONALLY DELETED~~**~~7.06 WAREHOUSE ELECTRICITY COSTS PARAGRAPH INTENTIONALLY DELETED~~**

INITIALS:


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7.07 ELECTRICAL USAGE

The Government is responsible for the costs of electricity and shall be billed directly by the local utility supplier or directly billed by the Lessor.

INITIALS:



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