

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT NO 2	DATE <u>7/11/12</u>
	TO LEASE NO. GS-07B-16845	

ADDRESS OF PREMISES: 2330 East Hwy 66, Gallup, NM 87301-4769

THIS AGREEMENT, made and entered into this date by and between Munoz Block, LLC whose address is 2706 Chamisal Ave, Gallup, NM 87301-4668

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

WHEREAS, the parties hereto agree to supplement the above Lease.

- 1.) To accept the tenant improvements as completed and;
- 2.) establish the Commencement Date of the lease rental payments; and
- 3.) establish the square footages of the leased space; and
- 4.) provide the annual rental amounts; and
- 5.) establish the Governments percentage of occupancy; and
- 6.) establish the reduction amount for vacant space; and
- 7.) restate the commission and commission credit; and
- 8.) all other terms and conditions are in full force and effect.

See Attached

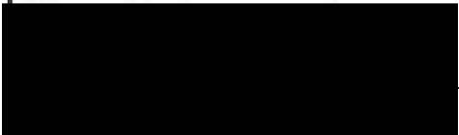
IN WITNESS WHEREOF, the parties subscribe their names as of the above date.

BY: Munoz Block, LLC



Owner
Title

George Munoz
Printed Name



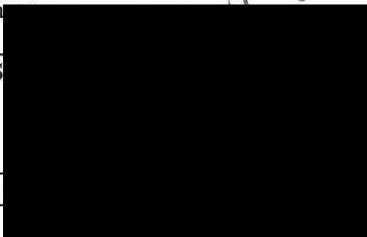
2706 Chamisal Ave
(Address)

Roberta Aragon
Printed Name

Gallup NM 87301
City, State, Zip

UNITED STATES OF AMERICA

Garhett



General Services Administration
819 Taylor St., Room 5A18
Fort Worth, TX 76102
Contracting Officer
 (Official Title)

Supplemental Lease Agreement No. 2

GS-07B-16845

2330 East Hwy 66
Gallup, NM 87301-4769

1.) The tenant improvements have been *substantially* completed and the government accepts the leased space on June 22, 2012. The Lessor and the Government agree that the requirements specifically identified in Attachment I (GSA Form 1204 – Condition Survey Report, 2 pages) of this lease 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 7 calendar days of the Government's acceptance of the space for occupancy. Within 7 calendar days of the completion date for the Lessor to cure the deficiencies in Attachment I of this lease, 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 total term of the lease agreement is twenty (20) years with a firm term of ten (10) years. The commencement date of the rental shall begin on June 22, 2012 and shall expire on June 21, 2032.

3.) The office space square footage shall be 2,499 rentable square feet yielding 2,250 ANSIBOMA Office Area (ABOA) square feet.

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

From June 22, 2012 through June 21, 2022 the total annual rental shall be \$59,901.91 at the rate of \$4,991.83 paid monthly in arrears. The total annual rent consists \$30,012.99 Building Shell Rent, \$10,449.77 of Tenant Improvement Rent (consisting of \$75,000.00 of Tenant Improvements amortized at 7% over 120 months), \$696.65 of Security Upgrade Rent (Consisting of \$5,000.00 of Building Security Amortized Costs 'BSAC' amortized at 7% over 120 months), and Operating Costs of \$18,742.50 plus annual Operating Cost adjustments.

From June 22, 2022 through June 21, 2032 the total annual rent shall be \$54,378.24. The total annual rent consists of Shell Rent of \$35,635.74 and Operating Costs of \$18,742.50 plus annual Operating Cost adjustments. There are no annual Tenant Improvement costs.

5.) The percentage of occupancy for Tax Reimbursement purposes shall be: 62.5% (2,499 Rentable Square Footage, (RSF) / 3,998.4 RSF) and the new Base Year for taxes shall be the taxes in the year of 2012.

6.) The Government's adjustment of vacant space shall be a reduction of \$1.50/RSF .

7.) **Commission and Commission Credit:** In accordance with Form L-101-A Paragraph 1.04 Broker Commission and Commission Credit, CBRE, Inc. ("CBRE") 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. Due to the Commission Credit described in Paragraph 1.04.B, only [REDACTED] of the Commission, will be payable to CBRE 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 full month of the rental payments and continue until the credit is fully recaptured in equal monthly installments over the shortest period practicable.

Notwithstanding Section 1, of this Lease, the Shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit to the Government. The reduction in Shell rent shall commence with the first full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

Gov't Initials: _____

Lessor Initials: _____

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First Full Month's Payment (**July, 2012**) \$4,991.83 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Full Month's Rent.

Second Month's Rental Payment (**August, 2012**) \$4,991.83 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Payment (**September, 2012**) \$4,991.83 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

Fourth Month's Payment (**October, 2012**) \$4,991.83 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

Fifth Month's Payment (**November, 2012**) \$4,991.83 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.

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

Gov't Initials: 
Lessor Initials: 