

LEASE AMENDMENT

LEASE AMENDMENT NO. 4	TO LEASE NO. GS-10B-07213	DATE JUL - 3 2012	PAGE 1 of 3
ADDRESS OF PREMISES 161 E. 1 st Avenue, Anchorage, AK 99501-1639		BUILDING NO.: AK3481	

THIS AGREEMENT, made and entered into this date by and between ALASKA RAILROAD CORPORATION

whose address is 327 W SHIP CREEK AVENUE
ANCHORAGE, AK 99501-1671

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, amend the rent periods and buy down Tenant Improvements which have been amortized into the lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective June 13, 2012 as follows:

I. Paragraph 2 of the Lease is hereby amended as follows:

TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on June 5, 2012 and continuing through June 4, 2022, subject to termination and renewal rights as may be hereinafter set forth.

II. Paragraph 3 of the Lease is hereby amended as follows:

Rent Period ¹	Shell Rent	Operating Rent ²	Tenant Improvement Costs ³	Total Annual Rent
6/5/12 – 6/4/17	\$588,352.50	\$194,287.07	\$123,426.73	\$ 906,066.30
6/5/17 – 6/4/22	\$706,284.49	\$194,287.07	\$123,426.73	\$1,023,998.29

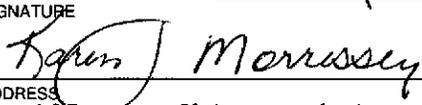
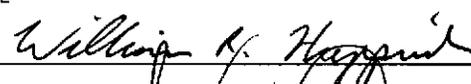
¹ Rent for the first three lease months is adjusted pursuant to Paragraph 17.
² Base Operating Rent is subject to adjustments in accordance with Paragraph 10.
³ Tenant Improvement Costs are calculated in accordance with Paragraph 8.

Rent shall be paid monthly, in arrears. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

ALASKA RAILROAD CORPORATION
327 W SHIP CREEK AVENUE
ANCHORAGE, ALASKA 99501-1671

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IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR	
SIGNATURE 	NAME OF SIGNER Karen J. Morrissey
ADDRESS 327 West Ship Creek Avenue, Anchorage, AK 99501-1671	
IN PRESENCE OF	
SIGNATURE 	NAME OF SIGNER William R. Huppich
ADDRESS 327 West Ship Creek Ave., Anchorage, AK 99501-1671	
SIGNATURE 	NAME OF SIGNER MICHAEL J. O'BRIEN
	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

III. Paragraph 4 of the Lease is hereby amended as follows:

The Government may terminate this lease in whole or in part at any time after the June 4, 2020 by giving at least 120 days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

IV. Paragraph 5 of the Lease is hereby amended as follows:

This lease may be renewed at the option of the Government, for the following terms and at the following rentals:

<u>Rent Period</u> ¹	<u>Shell Rent</u>	<u>Operating Rent</u> ²	<u>Tenant Improvement Costs</u> ³	<u>Total Annual Rent</u>
Years 11-15	\$ 847,489.09	\$194,287.07	\$123,426.73	\$1,165,202.89
Years 16-20	\$1,016,934.61	\$194,287.07	\$0.00	\$1,211,221.68

provided notice be given in writing to the Lessor at least 90 days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.

V. In a separate document (Lease Amendment No. 2 dated April 26, 2012) the Government approved a total of \$2,536,816.00 in amortized Tenant Improvements (\$1,408,646.63 over 15 years at 5.5% and \$1,128,169.37 over 8 years at 5.5%). GSA hereby orders a buy down of said amortized Tenant Improvements in the amount of \$1,278,002.00, which buy down shall completely payoff the TI amount of \$1,128,169.37 amortized over 8 years at 5.5% and shall reduce by \$149,832.63 the remaining TI amount amortized over 15 years at 5.5%; therefore,

Paragraph 8 of the Lease is hereby amended as follows:

In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the amount of \$1,258,814.00 shall be amortized through the rent for 15 years at the rate of 5.5% (\$123,426.73 annually, years 1 - 15). Should the Government terminate the lease, in accordance with paragraph 4 of the lease, anytime prior to the end of the fifteen (15) year Tenant Improvement amortization term, the balance of any remaining tenant improvement costs shall be waived by the Lessor and will not be due from the Government.

VI. Paragraph 17 of the Lease is hereby amended as follows:

Adjusted monthly rent payments (application of commission credit):

The commission credit shall be applied against the shell rental payments over the minimum number of months that will not exceed the monthly shell rental per SFO subparagraph 2.4 B. The monthly rent is \$75,505.53. The monthly shell rent is \$49,029.38. The commission credit is [REDACTED] and is calculated as follows:

Commission Years 1 - 5:	[REDACTED] x 5 years x [REDACTED] ⁽⁴⁾ =	[REDACTED]
Commission Years 6 - 8:	[REDACTED] x 3 years x [REDACTED] ⁽⁵⁾ =	[REDACTED]
TOTAL COMMISSION:		[REDACTED]
GSA Commission Credit:	[REDACTED]	[REDACTED]
Studley/LaBonde Land Inc. Commission:	[REDACTED]	[REDACTED]

The monthly rent payments adjusted for the commission credit are as follows:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Commission Credit</u>	<u>Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
6/5/12 - 7/4/12	\$75,505.53	\$49,029.38	[REDACTED]	[REDACTED]	[REDACTED]
7/5/12 - 8/4/12	\$75,505.53	\$49,029.38	[REDACTED]	\$0	[REDACTED]
8/5/12 - 9/4/12	\$75,505.53	\$49,029.38	\$0	\$0	\$75,505.53

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INITIALS: [Signature] LESSOR [Signature] GOV'T

VII. In a separate document (Lease Amendment No. 2) the Government approved a total of \$183,812.66 in a lump sum payment to the Lessor for Tenant Improvements above the Tenant Improvement Allowance and, pursuant to Section "V" above, the Government hereby approves an additional lump sum payment of \$1,278,002.00 to further buy down amortized Tenant Improvements for a total lump sum payment of \$1,461,814.66. Payment shall be made within 30 business days after receipt of an invoice.

The original invoice must be submitted electronically to www.finance.gsa.gov with a courtesy copy to the Contracting Officer at the GSA Finance Office at the following address:

Invoice Address:

General Services Administration
PBS Payment Branch (BCFA)
P.O. Box 17181
Fort Worth, TX 76102-0181

Courtesy Copy Address:

General Services Administration
Attn: C/O Andrew Mohl
400 15th Street SW 10PCS
Auburn, WA 98001

A proper invoice must include the following:

- Invoice date
- Name of the Lessor as shown on the Lease
- Lease contract number, building address, and a description, price, and quantity of the items delivered
- GSA PDN # PS0023300

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it.

VIII. The Lessor hereby waives restoration as a result of all improvements.

All other terms and conditions remain in full force and effect.

INITIALS: Rm LESSOR MA GOV'T