

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 4
	TO LEASE NO. LMT14406
ADDRESS OF PREMISES Office: 2021 Fourth Avenue North, Billings, Montana 59101 Warehouse: 108 Nall Avenue, Billings, Montana 59101	PDN Number: N/A

THIS AGREEMENT, made and entered into this date by and between GSA BILLINGS, L.C., a Utah Limited Liability Company whose address is: 90 South 400 West, Suite 200 Salt Lake City, Utah 84101-1365

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 confirm the total square footage leased in the Office and Warehouse space, memorialize the commencement and expiration dates of the Lease, establish the annual rent due and all components therein for the Office and Warehouse space, update the Exhibits to the Lease, establish the Tax Base for the Office and Warehouse space, confirm the Broker commission and commission credit, confirm janitorial services, revise the timing for cyclical carpet replacement, confirm responsibilities regarding the consolidated data center, acknowledge a City easement at the Office site and a cross-access easement at the Warehouse site.

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

1. Paragraph 1 of the Lease is deleted in its entirety and replaced with the following:


"1. The Lessor hereby leases to the Government the following described premises:

A total of 149,110 rentable square feet (RSF) of Office, Warehouse and related space, which yields 140,160 ANSI/BOMA Office Area (ABOA) square feet of space. The Office space is located in the building located at 2021 Fourth Avenue North, Billings, Montana and consists of 119,110 rentable square feet (RSF) of office and related space and shall yield 110,160 ANSI/BOMA Office Area square feet together with 70 secured, surface on-site parking spaces for government vehicles and 95 on-site employee, visitor and handicapped parking spaces at no additional cost to the Government. Warehouse and wareyard space are located in the building located at 108 Nall Avenue, Billings, Montana and consists of 30,000 rentable square feet and will yield 30,000 ANSI/BOMA Office Area (ABOA) square feet of Warehouse space


This Lease Amendment contains 6 pages plus Exhibit A (1 page) and Exhibit B (6 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.

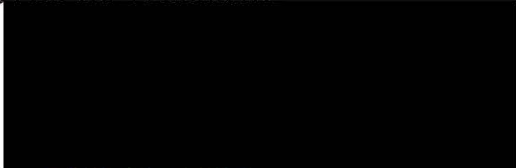
FOR THE LESSOR:

Signature: 
Name: _____
Title: Manager
Entity Name: GSA Billings, LLC
Date: May 8, 2013

FOR THE GOVERNMENT:

Signature: 
Name: ADAM MENDEZ
Title: Lease Contracting Officer
GSA, Public Buildings Service
Date: 5/9/13

WITNESSED FOR THE LESSOR BY:

Signature: 
Name: _____
Title: _____
Date: May 8, 2013

together with an adjacent secured wareyard of 35,000 square feet, 11 on-site surface parking spaces and a clear space distance of 120' between the Warehouse and the wareyard. The wareyard, 11 on-site surface parking spaces and the 120' clear space shall be at no additional cost to the Government. Both the Office space and the Warehouse / wareyard space shall be used for such purposes as determined by the General Services Administration."

2. Paragraph 2 of the Lease is deleted in its entirety and replaced with the following:

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning May 1, 2013 and continuing through April 30, 2033, subject to termination and renewal rights as may be hereinafter set forth."

3. Paragraph 3 of the Lease is deleted in its entirety and replaced with the following:

"3. The Government shall pay the Lessor monthly in arrears in accordance with the following tables:

Rental due for the Office space:

Months	Annualized Shell	Annualized Cost of Services	Annualized Tenant Improvement Allowance	Annualized Real Estate Taxes	Annualized Building Specific Security	Total Annual Rent
5/01/2013 – 4/30/2028	\$1,738,736.67	\$892,931.00	\$283,291.67 ¹	\$261,727.00	\$1,562.45 ²	\$3,178,248.79
5/01/2028 – 4/30/2033	\$2,022,028.00	\$892,931.00	\$0.00	\$261,727.00	\$1,562.45 ²	\$3,178,248.45

¹Total Tenant Improvement Allowance is \$4,249,375.00 amortized for a period of 15 years at 0% interest.

²Total Building Specific Security is \$31,249.00 amortized for a period of 20 years at 0% interest.

Rental due for the Warehouse space:

Months	Annualized Shell	Annualized Cost of Services	Annualized Tenant Improvement Allowance	Annualized Real Estate Taxes	Annualized Building Specific Security	Total Annual Rent
5/01/2013 – 4/30/2028	\$256,690.50	\$120,800.00	\$15,330.66 ¹	\$16,100.00	\$1,514.05 ²	\$410,435.21
5/01/2028 – 4/30/2033	\$272,021.50	\$120,800.00	\$0.00	\$16,100.00	\$1,514.05 ²	\$410,435.55

¹Total Tenant Improvement Allowance is \$229,960.00 amortized for a period of 15 years at 0% interest.

²Total Building Specific Security is \$30,281.00 amortized for a period of 20 years at 0% interest.

Total rental due for the Office and Warehouse space combined:

Months	Annualized Shell	Annualized Cost of Services	Annualized Tenant Improvement Allowance	Annualized Real Estate Taxes	Annualized Building Specific Security	Total Annual Rent
5/01/2013 – 4/30/2028	\$1,995,427.17	\$1,013,731.00	\$298,622.33 ¹	\$277,827.00	\$3,076.50 ²	\$3,588,684.00
5/01/2028 – 4/30/2033	\$2,294,049.50	\$1,013,731.00	\$0.00	\$277,827.00	\$3,076.50 ²	\$3,588,684.00

¹Total Tenant Improvement Allowance is \$4,479,335.00 amortized for a period of 15 years at 0% interest.

²Total Building Specific Security is \$61,530.00 amortized for a period of 20 years at 0% interest.

INITIALS:


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Rent shall be adjusted in accordance with the provisions of the Solicitation For Offers and General Clauses. Rent for a lesser period shall be prorated. Rent shall be made payable to:

GSA BILLINGS, L.C.
90 SOUTH 400 WEST, SUITE 200
SALT LAKE CITY, UT 84101-1365"

- 4. The attached Exhibit A shall replace the original Exhibit A – Legal Descriptions (1 page) in the Lease.
- 5. The attached Exhibit B shall replace the original Exhibit B – Floor Plans (6 pages) in the Lease.
- 6. Paragraph 10 of the Lease is deleted in its entirety and replaced with the following:

"10. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements for the Office and Warehouse space in the total amount of \$4,479,335.00 is amortized through the rent for 180 months at the rate of 0.0% and the total annual cost of the Tenant Improvements for the amortization period is \$298,622.33. Of the total amount, the Tenant Improvements attributed to the Office space is \$4,249,375.00 and is amortized through the rent for 180 months at the rate of 0.0%. The Tenant Improvements attributed to the Warehouse space is \$229,960.00 and is amortized through the rent for 180 months at 0.0%. The total annual cost of Tenant Improvements for the Office space for the amortization period is \$283,291.67 and the total annual cost of Tenant Improvements for the Warehouse space for the amortization period is \$15,330.66. All approved overages in the Tenant Improvement Allowance shall be paid by the Government via lump sum payment upon completion and acceptance of the improvements.

- 7. Paragraph 12 of the Lease is deleted in its entirety and replaced with the following:

"12. In accordance with the SFO paragraph entitled *Operating Costs*, the total cost of services base for the Office and Warehouse space is \$1,013,731.00 per annum. The cost of services base for the Office space is \$892,931.00 and the cost of services for the Warehouse space is \$120,800.00 per annum. This lease is subject to operating cost escalation."

- 8. Paragraph 13 of the Lease is deleted in its entirety and replaced with the following:

"13. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor for the Office and Warehouse space is established as 1.063856 (149,110 RSF/140,160 ABOA). The common area factor for the Office space is established as 1.081245 (119,110 RSF/110,160 ABOA) and the common area factor for the Warehouse space is established as 1.000 (30,000 RSF/30,000 ABOA)."

- 9. Paragraph 15 of the Lease is deleted in its entirety and replaced with the following:

"15. In accordance with SFO Paragraph 4.2 entitled *Tax Adjustment*, this lease is subject to real estate tax adjustments. The Real Estate Tax Base amount is established as \$277,827.00. The Tax Base established for the Office space is \$261,727.00 and the Tax Base established for the Warehouse space is \$16,100.00. The Government and the Lessor acknowledge and agree the Tax Base has been established by using the alternative method set forth in SFO Paragraph 4.2.B.7 of negotiating an estimated amount in advance that reflects an agreed upon base for a Fully Assessed value of the Property.

After the property is fully assessed (May 31, 2014), (1) the Government shall pay a lump sum amount for any increase and shall receive a credit for any decrease in the actual Real Estate Taxes for the Property, and; (2) the parties shall adjust the Real Estate Tax Base to reflect the actual Fully Assessed value of the Property, and make a corresponding annual rent adjustment that is equal to the difference between the established estimated Real Estate Tax Base (\$277,827.00 total) and the tax base that reflects the Fully Assessed value of the Property.

INITIALS:


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The parties agree that once the Fully Assessed Real Estate Tax Base is established, then the Government shall pay a lump sum amount for any increase and shall receive a credit for any decrease in the actual Real Estate Taxes for the properties for the remainder of the lease term.

No adjustments to the Real Estate Tax Base shall be made without the prior written approval of the Government and the Lessor. The percentage of occupancy is 100.00% for the Office and Warehouse space."

10. Paragraph 17 of the Lease is deleted in its entirety and replaced with the following:

"17. Building Specific Security costs for the Office and Warehouse space in the total amount of \$61,530.00 is amortized through the rent for 240 months at the rate of 0.0%. Of the total amount, the security costs attributed to the Office space is \$31,249.00 and is amortized through the rent for 240 months at the rate of 0.0%. The security costs attributed to the Warehouse space is \$30,281.00 and is amortized through the rent for 240 months at 0.0%. The total annual cost of Building Specific Security for the Office space for the amortization period is \$1,562.45 and the total annual cost of Building Specific Security for the Warehouse space for the amortization period is \$1,514.05.

11. Paragraph 19 of the Lease is deleted in its entirety and replaced with the following:

"19. In accordance with Paragraph 2.5 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease for years 1 – 15 and [REDACTED] of the firm term value of this lease for years 16 – 20 ("Commission"). 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 2.B, only [REDACTED], or [REDACTED] of the Commission, will be payable to Studley. The remaining [REDACTED], or [REDACTED] which is the "Commission Credit", shall 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 has been fully recaptured in equal monthly installments over the shortest time period practicable.

Notwithstanding Paragraph 3 of this Lease, the shell rental portion of the total annual rental payments plus Annualized Real Estate Taxes (\$2,273,254.17 / 12 months = \$189,437.85 per month) due and owing shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue throughout the seventh month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

First Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted First Month's Rent

Second Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted Second Month's Rent

Third Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted Third Month's Rent

Fourth Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted Fourth Month's Rent.

Fifth Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted Fifth Month's Rent.

Sixth Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted Sixth Month's Rent.

Seventh Full Month's Rental Payment \$299,057.00 minus prorated Commission Credit of [REDACTED] equals [REDACTED]
adjusted Seventh Month's Rent.

INITIALS: [Signature] & [Signature]
LESSOR GOVT

12. A portion of Paragraph 24 of the Lease, specifically Paragraph 15 contained in the General Clauses (GSA Form 3517) is deleted and replaced with the following and the remainder of Paragraph 24 shall remain unchanged:

"15. Failure in Performance

Remedies. Subject to the provisions of this Clause, upon the failure of the Lessor to perform any of its covenants, agreements or obligations set forth in this Lease, the Government may exercise any of the rights and remedies provide for in this Lease. Notice of Exercise of Remedies. In the event of any circumstance which would permit the Government to terminate this Lease, or in the event the Government would have the right to offset or reduce rent pursuant to these General Clauses or any other provision of this Lease, no termination, reduction or offset will be taken by the Government unless both the Lessor and the current first mortgagee of which the Government has notice are provided with written notice of such event or proposed rental reduction, deduction or offset, together with the opportunity to cure or eliminate same within a reasonable period of time considering the nature and scope of the default or event giving rise to the right to offset or reduce rent or terminate this Lease, as set forth in Subparagraph 16(b), Opportunity to Cure. The Government's obligation to provide such notice to the current first mortgagee shall extend only to the first mortgagee or the party representing the first mortgagee. The contact information for said first mortgage is as follows:

GSA Billings Sub CDE, LLC
c/o Montana Community Development Corporation
229 East Main Street
Missoula, Montana 59802
Attention: Dave Glaser, President
Facsimile: (406) 542-6671"

13. Section 4.8 JANITORIAL SERVICES (AUG 2008), paragraph A of the SFO is deleted and replaced with the following:

"A. Cleaning shall be performed during tenant working hours unless after hour cleaning is specified as a special requirement elsewhere in this SFO."

14. Section 7.13 FLOOR COVERING AND PERIMETERS (AUG 2008), paragraph A. BUILDING SHELL, subparagraph 4 of the SFO is deleted and replaced with the following:

"4. In addition to the building shell flooring discussed above, the Government-demised areas within the Office space which are designated by GSA for cyclic carpet replacement shall be re-carpeted one (1) time, after year ten (10) of the firm term of the Lease with a product meeting this solicitation's requirements. This cost, including the moving and returning of furnishings, including disassembly and reassembly of systems furniture, will be borne by the Lessor as part of the shell rent. The Lessor shall arrange for the work to be completed during the 11th year of the Lease term. The Lessor agrees to coordinate the work with the Government, in advance, to minimize disruption to the occupants of the building. The Government and the Lessor acknowledge the work will be phased over the shortest amount of time possible to complete the re-carpeting of the building. The work shall be conducted after normal business hours."

15. The Government and the Lessor agree the Lessor is not responsible for Snow Removal in the wareyard area located at 108 Nall Avenue.
16. The Government and the Lessor acknowledge the consolidated data center was designed after award. Utilities are separately metered in this space and a recurring RWA will be required to pay these utilities. The agencies will be responsible for all costs associated with annual maintenance and potential repair/replacement, upon the expiration of any warranty periods, of the fire suppression systems, the roof top A/C unit and the two (2) CRAK fan coil units for the consolidated data center and the raised flooring.
17. The Government and the Lessor acknowledge there is a City easement along the sidewalk of 4th Avenue North.
18. The Government and the Lessor acknowledge there is a cross-access easement at the northeast corner of the warehouse site resulting from the increase in the site size.

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19. Use of the GSA Form 276, Supplemental Lease Agreement (SLA) has been discontinued. All references in the lease to "GSA Form 276" or "Supplemental Lease Agreement" shall be now hereby construed to mean "Lease Amendment".
20. All other terms and conditions remain in full force and effect.

End of Lease Amendment No. 4

INITIALS: MB & AM
LESSOR GOV'T