

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b>  <b>LEASE AMENDMENT</b>	LEASE AMENDMENT No. <b>2</b>
	TO LEASE NO. <b>GS-09P-LNV00193</b>
ADDRESS OF PREMISES <b>1170 HARVARD WAY RENO, NV 89502-2107</b>	PEGASYS DOCUMENT NUMBER (PDN):

**THIS AMENDMENT** is made and entered into between **STATES DUVALL, Inc.**;

whose address is: 2853 Tucker Court, Carson City, NV 89701-9998

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 accept completed Tenant Improvements (TIs), to adjust the rent to reflect the TI costs being amortized over the remaining 165 months of the Lease Term, and to revise the Broker Commission and Commission Credit;

**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 **JUNE 4, 2018** as follows:

**A.** Lease Paragraph 1.03 RENT AND OTHER CONSIDERATION (SEP 2013), subparagraph A is hereby deleted in its entirety and replaced with the following:

"A. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears, at the following rates. Rent payments for the period March 1, 2017 through June 3, 2018 shall not be duplicated:

	ANNUAL RENT FOR THE PERIOD MARCH 1, 2017 - JUNE 3, 2018 (YEAR 1 AND PART OF YEAR 2) (FIRM TERM)	ANNUAL RENT FOR THE PERIOD JUNE 4, 2018 - FEB. 28, 2027 (REST OF YEAR 2 TO YEAR 10) (REST OF FIRM TERM)	ANNUAL RENT FOR THE PERIOD MARCH 1, 2027 - FEB. 29, 2032 (YEARS 11 TO 15) (NON - FIRM TERM)
SHELL RENT <sup>1</sup>	\$340,310.76	\$340,310.76	\$340,310.76
TENANT IMPROVEMENTS RENT <sup>2</sup>		\$80,214.97	\$80,214.97
OPERATING COSTS <sup>3</sup>	\$102,049.71	\$102,049.71	\$102,049.71
<b>TOTAL ANNUAL RENT</b>	<b>\$442,360.47</b>	<b>\$522,575.44</b>	<b>\$522,575.44</b>

<sup>1</sup>Shell rent calculation: Years one (1) through fifteen (15) payable at \$15.64 per RSF multiplied by 21,759 RSF.

<sup>2</sup>Tenant improvement costs of \$963,598.21 are amortized at a rate of two percent (2%) per annum over one-hundred sixty-five (165) months yielding approximately \$3.69 (rounded) per RSF multiplied by 21,759 RSF.

<sup>3</sup>Operating Costs rent calculation: \$4.69 per RSF multiplied by 21,759 RSF. The base date for operating cost adjustments remains March 1, 2017.

NOTE: The table above does NOT reflect the 2018 operating cost adjustment. Operating cost adjustments will be calculated in accordance with this lease."

This Lease Amendment contains **TWO (2)** 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: DOUGLAS A. DUVALL  
 Title: PRESIDENT  
 Entity Name: **States Duvall, Inc.**  
 Date: 26 JUNE 2018

**FOR THE GOVERNMENT, General Services Administration:**

Signature:   
 Name: Merlin E. Nygren  
 Title: Lease Contracting Officer  
Public Buildings Service  
 Date: 7/13/18

**WITNESSED FOR THE LESSOR BY:**

Signature:   
 Name: Sally B. Duvall  
 Title: Treasurer  
 Date: June 26, 2018

B. Lease Paragraph 1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015) is hereby deleted in its entirety and replaced with the following:

**"1.04 BROKER COMMISSION AND COMMISSION CREDIT (SEP 2015)**

Carpenter/Robbins Commercial Real Estate, 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 Carpenter/Robbins Commercial Real Estate, 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. The Commission and Commission Credit have been calculated based on Year One rent unadjusted for the 2018 operating cost adjustment.

- A. 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 first period of reduction in shell rent commenced with the first month of the rental payments after Lease award, and the second reduction in shell rent shall commence with the first month of rental payments after acceptance of the Tenant Improvements. Rent for computation of the Commission and Commission Credit is unadjusted for the 2018 operating cost adjustment and is reflected in this schedule for adjusted Monthly Rent:
- B. The Commission Credit, as calculated at Lease Commencement and stated in Lease Amendment No. 1, dated February 17, 2017 was previously applied against the first two months' rent for a total Commission Credit of [REDACTED]
- C. The Commission Credit, as calculated upon acceptance of TIs on June 4, 2018, is [REDACTED]. As [REDACTED] was previously withheld as described above, Lessor will be repaid \$390.04 in a one-time lump sum adjustment."
- C. Lease Paragraph 1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015) is hereby deleted in its entirety and replaced with the following:

**"1.08 TENANT IMPROVEMENT RENTAL ADJUSTMENT (SEP 2015)**

The Tenant Improvement Allowance (TIA) expended for this Lease is \$963,598.21. This amount is amortized in the rent over the remaining term of this Lease at an annual interest rate of two percent (2%) percent. The remaining term of this Lease is one-hundred sixty-five (165) months."

INITIALS:

  
LESSOR

&   
GOVT