

LEASE AMENDMENT

LEASE AMENDMENT NO. 2	TO LEASE NO. GS-10B-07213	DATE 4/26/2012	PAGE 1 of 2
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 increase the amortization of tenant improvements and order tenant improvements amounts which exceed the tenant improvement allowance

NOW THEREFORE, the parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective April 1, 2012, as follows:

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

Rent Period	Shell Rent	Operating Rent	Tenant Improvement Costs	Total Annual Rent
Years 1-5	\$588,352.50	\$194,287.07	\$312,749.26	\$1,095,388.83
Years 6-8	\$706,284.49	\$194,287.07	\$312,749.26	\$1,213,320.82
Years 9-10	\$706,284.49	\$194,287.07	\$138,117.82	\$1,038,689.38

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.

II. 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 \$1,408,646.63 (26,149 ABOA SF x \$53.87) shall be amortized through the rent for 15 years at the rate of 5.5% (\$138,117.82 annually, years 1 - 15). Additional Tenant Improvements in the amount of \$1,128,169.37 shall be amortized through the rent for 8 years at the rate of 5.5% (an additional \$174,631.44 annually, years 1 - 8). 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.

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

LESSOR	
SIGNATURE <i>James W. Flagg</i>	NAME OF SIGNER James W. Flagg
ADDRESS 327 W Ship Creek Ave Anch. AK 99501	
IN PRESENCE OF	
SIGNATURE <i>William R. Huppich</i>	NAME OF SIGNER William R. Huppich
ADDRESS 327 W. Ship Creek Ave, Anchorage, AK 99501	
UNITED STATES OF AMERICA	
SIGNATURE <i>Terria Heinlein</i>	NAME OF SIGNER TERRIA HEINLEIN
5/17/12	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

III. 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 \$91,282.40. The monthly shell rent is \$49,029.38. The commission credit is [REDACTED] and is calculated as follows:

Commission Years 1 – 5: [REDACTED]

Commission Years 6 – 8: [REDACTED]

TOTAL COMMISSION: [REDACTED]

GSA Commission Credit: [REDACTED]

Studley/LaBonde Land, Inc. Commission: [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>
Month 1	\$91,282.40	\$49,029.38	[REDACTED]	[REDACTED]	[REDACTED]
Month 2	\$91,282.40	\$49,029.38	[REDACTED]	[REDACTED]	[REDACTED]
Month 3	\$91,282.40	\$49,029.38	[REDACTED]	\$0	[REDACTED]
Month 4	\$91,282.40	\$49,029.38	\$0	\$0	\$91,282.40

IV. The Government has reviewed the Lessor's TI cost proposal and determined that the proposal is fair and reasonable. On April 18, 2012, the Lessor received the Government's Notice to Proceed for the construction of TIs in the amount of \$2,720,628.66. Said amount includes all costs for labor, materials, fees, overhead, profit and any other costs required to complete the work.

V. The total cost for Tenant Improvements in the amount of \$2,720,628.66 exceeds the Tenant Improvement cost of \$2,536,816.00, which is amortized into the rental rate. The costs for Tenant Improvements over the Tenant Improvement cost in the amount of \$183,812.66 will be paid via lump sum upon completion, inspection, and acceptance of the space; and upon receipt of an original invoice by the Contracting Officer.

The original invoice must be submitted electronically to www.finance.gsa.gov with a courtesy copy to the Lease 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
C/O Andrew Mohl, LCO
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.

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

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

INITIALS: WIK LESSOR JA GOV'T