

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 4
	TO LEASE NO. GS-10B-07287
ADDRESS OF PREMISES: 949 EAST 36 TH AVENUE ANCHORAGE, AK 99508 - 4328	PDN:

THIS AMENDMENT is made and entered into between **949 E 36th AVENUE, LLC**.

whose address is: 1304 Southpoint BLVD, Suite 101
Petaluma, CA 94954 - 7464

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 the Lease commencement date; memorialize changes to the rent payment schedule; and to establish the Broker Commission and Commission Credit to the Government.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective **October 18, 2016** as follows:

Paragraphs 1.01 "The Premises"; 1.03.A "Rent and Other Consideration"; 1.04 "Broker Commission and Commission Credit"; and 1.11 "Percentage of Occupancy for Tax Adjustment, Establishment of Tax Base" are hereby being deleted in their entirety and replaced in the Lease as follows.


Continued on next page.

This Lease Amendment contains 3 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: 949 E 36th AVENUE, LLC

Signature: 
Name: MATTHEW SILVER
Title: ASSISTANT
Entity Name: 949 E 36th AVENUE, LLC
Date: OCT. 4, 2016

FOR THE GOVERNMENT:

Signature: 
Name: Hilda Gonzalez
Title: Lease Contracting Officer
GSA, Public Buildings Service
Date: 10/14/16

WITNESSED FOR THE LESSOR BY:

Signature: 
Name: MATTHEW SILVER
Title: ASSISTANT
Date: 10-4-2016

The following Paragraphs to Lease No. GS-10B-07287 are hereby deleted in their entirety and replaced with the following:

Paragraph 1.01 THE PREMISES:

The Premises are described as follows:

Lease Commencement, October 19, 2016 - Beneficial Occupancy, the Office and Related Space shall be established at **26,444** rentable square feet (RSF), yielding **23,813** ANSI/BOMA Office Area (ABOA) square feet; based upon a Common Area Factor of **11.05%**, located on the **first and second** floors and known as Suites **100 and 200**, of the Building.

Beneficial Occupancy – May 4, 2017, upon the completion of the Tenant Improvements (TIs) and the acceptance of the space thereof by the Government, the Office and Related Space shall be established at **23,053** rentable square feet (RSF), yielding **20,768** ANSI/BOMA Office Area (ABOA) square feet; based upon a Common Area Factor of **11.00%**, located on the **first and second** floors and known as Suites **100 and 200**, of the Building. The anticipated date of completion of TIs is **May 4, 2017**.

Paragraph 1.03.A RENT AND OTHER CONSIDERATION:

A. The Government shall pay the Lessor annual rental payable monthly in arrears at the following rates:

	10/19/2016 – BENEFICIAL OCCUPANCY ⁸ ANNUAL RENT	BENEFICIAL OCCUPANCY ⁸ – 05/04/2027 FIRM TERM ANNUAL RENT	05/05/2027 – 05/04/2032 NON-FIRM TERM ANNUAL RENT
SHELL RENTAL RATE	\$923,914.56 ¹	\$613,530.24 ²	\$767,275.30 ³
TENANT IMPROVEMENTS RENTAL RATE	\$0.00	\$112,143.75 ⁷	\$0.00
OPERATING COSTS	\$0.00 ⁴	\$134,816.25 ⁵	\$134,816.25 ⁶
FULL SERVICE RATE	\$923,914.56⁹	\$860,490.24	\$902,091.55

¹Shell rent calculation (10/19/2016 – Beneficial Occupancy) based on \$34.9385 per RSF multiplied by 26,444 RSF

²Shell rent calculation (Firm Term) based on \$26.6139 per RSF multiplied by 23,053 RSF

³Shell rent calculation (Non-Firm Term) based on \$33.28309981 per RSF multiplied by 23,053 RSF

⁴Operating Costs (10/19/2016 – Beneficial Occupancy); there is no division of operating expenses.

⁵Operating Costs calculation (Firm Term) based on \$5.8481 per RSF multiplied by 23,053 RSF

⁶Operating Costs rent calculation (Non-Firm Term) based on \$5.8481 per RSF multiplied by 23,053 RSF

⁷Tenant Improvement Allowance of \$804,877.70, upon Beneficial Occupancy, shall be amortized at a rate of 7 percent per annum over the Firm Term (10 years).

⁸Beneficial Occupancy is the substantial completion and space acceptance of Tenant Improvements. The anticipated date of completion of TIs is May 4, 2017; therefore Beneficial Occupancy is anticipated for May 5, 2017.

⁹Full Service Rate (10/19/2016 – Beneficial Occupancy) includes 3% annual increase. There is no division of operating expenses or taxes. Should acceptance of space extend beyond 10/18/2017, the full service rate shall be subject to a 3% annual increase during the period of 10/19/2017 – 10/18/2018.

B. Upon the completion of the Tenant Improvements (TIs) and the acceptance thereof by the Government, the reduction of space, the adjusted rent schedule, and the commencement of 10 Year Firm Term shall be established by a separate Lease Amendment (LA). The subsequent LA shall include the scheduled total rent, the annual Shell Rent amount, the annual Operating Cost amount, and the annual amortized TI cost. Should TIs not be completed by the anticipated date of May 4, 2017, a separate LA will be drafted to memorialize the adjusted date for Beneficial Occupancy and the adjusted start date of the agreed upon 10 Year Firm Term. The 10 Year Firm Term shall commence upon the start date of Beneficial Occupancy.

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Paragraph 1.04 BROKER COMMISSION AND COMMISSION CREDIT:

Jones Lang LaSalle Americas, Inc. ("Broker") is the authorized real estate broker representing GSA in connection with this lease transaction. The Commission is established at a flat fee of [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 Jones Lang LaSalle Americas, 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 first commission payment was made to the Broker in the amount of [REDACTED]. The remaining balance of [REDACTED] should be paid to the Broker in accordance with the Commission Agreement upon lease commencement.

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 reduction in shell rent shall commence beginning the date of Beneficial Occupancy and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 of Beneficial Occupancy Rental Payment of \$71,707.52 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Rent.

Month 2 of Beneficial Occupancy Rental Payment of \$71,707.52 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Rent.

Paragraph 1.11 PERCENTAGE OF OCCUPANCY

As of 10/19/16, the Government's Percentage of Occupancy is **19.333095** percent. The percentage of occupancy is derived by dividing the total Government space of **26,444** RSF by the total building space of **136,781** rentable square feet. As of Beneficial Occupancy, the Government's Percentage of Occupancy is **16.85394** percent. The percentage of occupancy is derived by dividing the total Government space of **23,053** RSF by the total building space of **136,781** rentable square feet. The tax parcel number is: 003-232-34-000.

No real estate tax adjustments shall apply.

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

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