

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
LEASE AMENDMENT

LEASE AMENDMENT NO. 2

TO LEASE NO. **GS-07B-16946**

ADDRESS OF PREMISES 924 Kenner Avenue, Kenner, LA 70062-7230

THIS AGREEMENT, made and entered into this date by and between Hiram Investments, LLC

whose address is 1080 Old Spanish Trail, Suite # 10, Slidell, LA 70458-5002

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease

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

- 1.) Description of the Tenant Improvements to be constructed; and
- 2.) To provide a Notice to Proceed; and
- 3.) To change the lease term to ten (10) years firm; and
- 4.) To remove the termination rights from the Lease; and
- 5.) To provide for the payment of the Tenant Improvements and Security Costs; and
- 6.) To establish the Tenant Improvement fee schedule; and
- 7.) To establish the Operating Costs Base; and
- 8.) To establish the annual rental amounts; and
- 9.) To provide for the Broker Commission and Commission Credit; and
- 10.) To provide notice that use of the GSA Form 276, Supplemental Lease Agreement has been discontinued; and
- 11.) All other terms and conditions are in full force and effect.

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

FOR THE

FOR THE GOV

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: Lease Contracting Officer

Entity Name: _____

GSA, Public Buildings Service

Date: _____

Date: _____

[Handwritten Signature]
President
Hiram Investments
12/11/12

[Redacted Signature]
[Redacted Name]
[Redacted Title]
[Redacted Date]
12/14/12

WITNESSED

Signature: _____

Name: _____

Title: _____

Date: _____

[Redacted Signature]
AS
Secretary
12/11/12

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- 1.) The Lessor shall provide all the materials, labor, and services required to provide for the completion of the Tenant Improvements as depicted and according to the Construction Drawings that consist of the Architectural drawings dated 03/19/2012, landscape and parking plan dated 08/25/2011, and Mechanical, Electrical, Plumbing, and Security Access drawings dated 04/27/2012 (Rev # 3).
- 2.) Upon full execution and delivery of this Lease Amendment (LA) the Lessor can consider this as a Notice to Proceed with the construction of the Tenant Improvements. The anticipated date of the completion of the Tenant Improvements and acceptance by the Government is on or before 90 working days from the date of this LA.
- 3.) Paragraph 2 of the Standard Form 2 of the Lease is deleted in its entirety and replaced as follows:

"TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years. Actual lease term dates will be established by Lease Amendment."

- 4.) Paragraph 4 of the Standard Form 2 of the Lease is deleted in its entirety.
- 5.) The Government shall pay the Lessor for the total cost of the Tenant Improvements and Security Costs as follows:

The Government and the Lessor have agreed that the total cost of the Tenant Improvements including Security Costs is \$779,170.94. A portion of the Tenant Improvement cost of \$585,279.97 and the Security Cost of \$10,335.16 shall be amortized over the ten (10) year term of the Lease agreement at an interest rate of seven percent (7.0%) paid monthly in arrears.

The annual cost of the amortized portion of the Tenant Improvement cost is \$81,547.16 paid monthly in arrears in the amount of \$6,795.60 and shall be part of the total monthly rental payment.

The annual cost of the amortized portion of the Security cost is \$1,440.00 paid monthly in arrears in the amount of \$120.00 and shall be part of the total monthly rental payment.

The remaining balance of the total cost of the Tenant Improvements is \$183,555.81 [\$779,170.94 – \$585,279.97 - \$10,335.16] and shall be paid by a lump-sum-payment upon the substantial completion and acceptance by the Government of the tenant improvements necessary to finish the interior of the leased space. All fees, permits, architectural and engineering plans are the responsibility of the Lessor and are included in the lump-sum-payment amount.

The Tenant Improvement and Security costs include all the Lessor's fees for general and administrative costs, profit and any and all other fees associated with the completion of the Tenant Improvements by the anticipated date of completion.

Any changes of the Construction Drawings which result in a financial change to the Lease agreement, of any type, must be approved, in writing, by the GSA Contracting Officer.

To submit for payment of the lump-sum-payment, the Lessor agrees that the invoice shall be printed on the same letterhead as that named on this lease, shall include the Lease number, building address, and a price and quantity of the items delivered. **The invoice shall reference the number PSN0562496**

and shall be sent electronically to the GSA Finance Website at <http://www.finance.gsa.gov/defaultexternal.asp>. Instructions for invoice submission are included on the website. Additional assistance is available from the Finance Customer Service line at 817-978-2408.

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If the Lessor is unable to process the invoice electronically, then the invoice may be mailed to:

General Services Administration
FTS and PBS Payment Division (7BCP)
P.O. Box 17181
Fort Worth, TX 76102-0181

Lessor also agrees that a copy of the invoice shall be sent simultaneously to the GSA Contracting Officer/Realty Specialist at the following address:

General Services Administration
ATTN: Kelly Krumm
819 Taylor Street 5A18
Fort Worth, TX 76102

Upon the completion of the Tenant Improvements and the acceptance thereof by the Government, the rent commencement date and the rent schedule (including the Shell Rent, Operating Costs, and the amortized Tenant Improvement Cost) shall be established by a subsequent Lease Amendment.

- 6.) The Tenant Improvement fee schedule is established as follows: General Conditions will be 0% of total subcontractor's costs; General Contractor's fee will be 10% of total subcontractor's cost; Architectural/Engineering fees will be 6% of total subcontractor's cost; Project Management fees will be 5% of the total TI cost.
- 7.) Due to the Agency's final HVAC design, the electricity consumption is higher than originally established in the Lease and therefore results in increased operating expenses. Therefore, Paragraph 13 of the Standard Form 2 of the Lease is deleted in its entirety and replaced as follows:

"In accordance with SFO paragraph 4.3, Operating Costs Base, the escalation base is established as \$74,008.00 per annum."

- 8.) The Government shall pay the Lessor annual rent, on a monthly basis in arrears, according to the following schedule:

Years 1 – 10	
	Annual
Shell Rent	\$125,532.84
Operating Cost Base	\$74,008.00
Amortized TI Allowance	\$81,547.16
Amortized Security Costs	\$1,440.00
Total	\$282,528.00

Rent for a lesser period shall be prorated. Address to:

Hiram Investments, LLC
1080 Old Spanish Trail, Suite #10
Slidell, LA 70458-5002

Lessor JK & Gov't [Signature]

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9.) The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission is [REDACTED]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction (Commission Credit). The Commission Credit is [REDACTED]. The Lessor agrees to pay the commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 3 of the Standard Form 2, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent.

First Month's Rental Payment of \$23,544.00 minus the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$23,544.00 minus the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment of \$23,544.00 minus the Commission Credit [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

Fourth Month's Rental Payment of \$23,544.00 minus the Commission Credit [REDACTED] equals [REDACTED] adjusted Fourth Month's Rent.

Fifth Month's Rental Payment of \$23,544.00 minus the Commission Credit [REDACTED] equals [REDACTED] adjusted Fifth Month's Rent.

Six Month's Rental Payment of \$23,544.00 minus the Commission Credit [REDACTED] equals [REDACTED] adjusted Six Month's Rent.

10.) 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."

11.) All other terms and conditions are in full force and effect.