

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 3
LEASE AMENDMENT ADDRESS OF PREMISES 1551 Mercantile Avenue Northeast Albuquerque, NM 87107-7017	TO LEASE NO. GS-07P-LNM17204 PDN Number PS0038884

THIS AMENDMENT is made and entered into between **Mercantile Flex Building LLC**.

whose address is: 122 Tulane Drive, Southeast
Albuquerque, NM 87106-1440

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

WHEREAS, the parties hereto desire to amend the above Lease. Purpose of this Lease Amendment is to accept the Tenant Improvements (TIs) and Building Specific Amortized Capital (BSAC) as substantially complete.

- 1.) To accept the Tenant Improvements as substantially complete; and
- 2.) To establish the Rent and Lease Commencement Date of the Lease; and
- 3.) To establish the termination notice; and
- 4.) To establish the square footages and parking of the Premises; and
- 5.) To provide the annual rental amounts; and
- 6.) To establish the Government's Percentage of Occupancy; and
- 7.) To provide the amount the adjustment of rent for vacant premises; and
- 8.) To establish the base amount for the Operating Cost adjustment; and
- 9.) To establish the Common Area Factor; and
- 10.) To provide for the source of funding for the TIs and BSAC; and
- 11.) To restate the Broker Commission and Commission Credit; and
- 12.) All other terms and conditions are in full force and effect.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective December 20, 2017, as follows: See Attached

This Lease Amendment contains 6 pages inclusive of Exhibit "A".

IN WITNESS WHEREOF, the parties subscribe their names as of the below date.

FOR THE LESSOR:

Signature: [Redacted]

Name: James K. Thompson
 Title: 1401 President, Manager
 Entity Name: Mercantile Flex Building LLC
 Date: 1/9/18

FOR THE GOVERNMENT:

Signature: [Redacted]

Name: Don W. Day
 Title: Lease Contracting Officer
819 Taylor St. , Room 11B,
Ft. Worth, Texas 76102-6124
GSA, Public Buildings Service, Leasing Division
 Date: 1/12/2018

WITNESSED FOR THE LESSOR BY:

Signature: [Redacted]

Name: Daniel P. [Redacted]
 Title: Property Manager - MercFlex
 Date: 1/9/18

1.) The tenant improvements have been *substantially* completed and the Government accepts the Premises on December 20, 2017. Lessor and the Government agree that the requirements specifically identified in Attachment "A", GSA Form 1204 Condition Survey Report of this lease have not been met and these items are deficiencies. The Lessor is required to cure these deficiencies as part of the negotiated lease contract within 25 days of the Government's acceptance of the space for occupancy. Within 7 days of the completion date for the Lessor to cure the deficiencies in Attachment "A" of this lease, the Lessor must coordinate a follow-up inspection with the Lease Contracting Officer to ensure all corrective action has been completed. In the event of any failure by the Lessor to cure the deficiencies or to provide any required repair or modernization under this lease, the Government will perform the work and deduct these amounts from the rent, including all administrative costs. No extensions will be granted.

2.) The Lease and Rent Commencement Date of the rental shall be December 20, 2017, and the Lease shall expire on December 19, 2032 subject to termination and renewal rights as may be hereinafter set forth.

3.) The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, December 19, 2027 by providing not less than 90 days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

4.) The premises are comprised of 14,807 Rentable Square Feet (RSF) yielding 13,353 ANSI/BOMA Office Area (ABOA) and rent shall include a total of three (3) surface/outside reserved and marked as "USCIS" parking spaces reserved for the exclusive use of the Government. The Lessor shall provide to the Government additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the property.

5.) The Government shall pay the Lessor annual rent as follows:

From December 20, 2017, through December 19, 2027, the total annual rental shall be **\$290,560.91** at the rate of \$24,213.41 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$147,329.65, annual Operating Costs of \$65,595.00, plus annual operating cost adjustments, annual Tenant Improvement Amortization cost of \$71,249.59, and annual Building Specific Amortized Capital (BSAC) Allowance of \$6,386.67.

From December 20, 2027, through December 19, 2032, the total annual rental shall be **\$245,203.91** at the rate of \$20,433.66 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$179,608.91, and annual Operating Costs of \$65,595.00 plus annual operating cost adjustments.

6.) Pursuant to Lease Paragraph 1.11 Titled - "Percentage of Occupancy for Tax Adjustment", the Percentage of Occupancy for Tax Reimbursement purposes shall be: **28%**.

7.) The Government's Adjustment for Vacant Space shall be a reduction of **\$3.34/ABOA SF**.

8.) In accordance with the Lease Paragraph 1.13 entitled "Operating Cost Base", the operating cost base shall be **\$65,595.00 (\$4.43 per RSF)**.

9.) In accordance with the Lease Paragraph 1.01 entitled "The Premises", the Common Area Factor shall be **11% (14,807 RSF / 13,353 ABOA SF)**.

10.) The Lessor and the Government agree that the total cost of the improvements paid for by the Government is **\$2,520,992.44**. The total cost consists of \$2,139,907.26 of TI and \$ 381,085.18 of BSAC. The total cost includes all fees including but not limited to general and administrative costs, project management fees, profit, overhead, and any and all other fees associated with the completion of the construction on or before the anticipated date of completion.

The TI Allowance per the Lease Agreement is **\$511,372.37** and the BSAC Allowance is **\$45,838.80**. The costs shall be amortized into the rent over the **first ten (10) years** of the term at the rate of **7.0 %**. The Government retains the right to buy-down all or a portion of these amounts.

The Government shall pay for the total TI and BSAC cost of **\$2,520,992.44** by amortizing an amount of **\$557,211.17** [**\$511,372.37 + \$45,838.80** (the amortized costs)] in the rent. The remaining balance of **\$1,963,781.27** [**\$2,520,992.44** (total cost of TI and BSAC) - **\$557,211.17** (TI amortized allowances)] shall be paid by a lump-sum payment. To submit for the

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lump-sum payment, the Lessor agrees that the invoice shall be printed on the same letterhead as the party named on this lease, shall include the lease number and the building address.

The Lessor agrees that the invoice submitted shall be printed on the same letterhead as the 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 PS-0038884** and shall be sent electronically to the GSA Finance Website at <http://www.finance.gas.gov/defaultexternal.asp>. Instructions for invoice submission are included on the website. Additional assistance is available from the Finance Customer Service line at 800-676-3690.

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 at the following address:
General Services Administration

ATTN: Don W. Day
819 Taylor Street, Room 11B
Fort Worth, TX 76102-6124

- 11.) Savills Studley, 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 Savills Studley, 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 full month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.

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 with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$24,213.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.
Month 2 Rental Payment \$24,213.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.
Month 3 Rental Payment \$24,213.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.
Month 4 Rental Payment \$24,213.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4th Month's Rent.
Month 5 Rental Payment \$24,213.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5th Month's Rent.

- 12.) All other terms and conditions of this lease shall remain in full force and effect .

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