

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE  LEASE AMENDMENT	LEASE AMENDMENT No. 2
	TO LEASE NO. GS-07P-LNM17295
ADDRESS OF PREMISES Gila Forest Service 3005 E. Camino Del Bosque Silver City, NM 87061-7863	PDN Number: N/A

**THIS AMENDMENT** is made and entered into between **Gila Property LLP**

whose address is: **4808 Jefferson NE, Albuquerque, NM 87109-2103**

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:

- 1) Describe Tenant Improvements and Building Specific Amortized Capital (BSAC) to be constructed;
- 2) Provide a Notice to Proceed for the Tenant Improvements (Phase II) and BSAC;
- 3) Provide for the payment of the Tenant Improvements (TI) and BSAC;
- 4) Revise annual rental amounts to include amortized TI and BSAC components;
- 5) Incorporate Exhibit "C.2" and Exhibit "I" into the lease;
- 6) Provide a Tenant Improvement allowance;
- 7) Provide Tenant Improvement Fee Schedule; and
- 8) Provide a BSAC allowance.

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 upon execution of the Government, as follows:

1.) The Lessor shall provide all the materials, labor, and services required to provide the completion of the Tenant Improvements depicted and according to "Exhibit I – Scope of Work Plan – Renovations & Improvements for Gila National Forest Lease Building" attached hereto and made a part hereof.

This Lease Amendment contains 4 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



Signature:

Name: WILLIAM A. SEGO  
Title: MANAGER  
Entity Name: GILA PROPERTY LLP  
Date: 12/17/14

FOR THE GOVERNMENT:



Signature:

Name: JUAN CARRASCO  
Title: Lease Contracting Officer  
GSA, Public Buildings Service,  
Date: 2-26-15

WITNESSED FOR THE LESSOR BY



Signature:

Name: PARTNER  
Title: PARTNER  
Date: 12/17/14

2.) Upon full execution and delivery of this Lease Amendment (LA) the Lessor can consider this as a Notice to Proceed with the Tenant Improvements construction as described in Exhibit "I" and BSAC as described in Exhibit "C.2", specifically the [REDACTED]. The anticipated date of completion is on or before March 10, 2015.

3.) The Lessor and the Government have agreed that the total cost of the Tenant Improvements described in "Exhibit H" and "Exhibit I" will be \$228,790.82 [\$36,367.01 as defined in "Exhibit H" (HVAC replacement, Phase I) Lease Amendment 01 plus \$192,423.81 as defined in "Exhibit I" (Remaining TIs, Phase II)].

Upon completion and acceptance of the tenant improvements, the total cost of the Tenant Improvements, \$228,790.82, shall be amortized at a rate of 8.5% over the next 4 year term of the lease from the acceptance date. The Tenant Improvement cost includes all the Lessor's fees for general and administrative costs, profit, design fees, and any and all other fees associated with the completion of the Tenant Improvements by the anticipated date of completion.

The Lessor and the Government have agreed that the total cost of the BSAC for the [REDACTED] as described in "SECURITY REQUIREMENTS"; "Exhibit 'C.2'" and the "SECURITY UNIT PRICE LIST"; "Exhibit "D" will be \$18,250.00 [REDACTED] New Mexico Gross Receipts Tax]. All other line items priced in the "SECURITY UNIT PRICE LIST"; "Exhibit "D" are existing or not required at this time. For example, the [REDACTED] has already been installed by the Government in the year 2009, and the tenant agency does not possess materials requiring Hazmat storage.

Upon completion and acceptance of the BSAC, the total cost of the BSAC [REDACTED] is \$18,250.00, shall be amortized at a rate of 8.5% over the next 4 year term of the lease from the acceptance date. The Tenant Improvement cost includes all the Lessor's fees for general and administrative costs, profit, design fees, and any and all other fees associated with the completion of the Tenant Improvements by the anticipated date of completion.

4.) The rent shall be restated upon inspection and acceptance of the Tenant Improvements by the Government. For purposes of amortizing the tenant improvements the estimated construction completion date, March 10, 2015, is used as the estimated effective date.

Paragraph 1.03 of the Lease (GSA Form L202) shall be deleted in its entirety and replaced with the following paragraph:

1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

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

	FIRM TERM YR. 2 – YR. 5 MARCH 10, 2015* – MARCH 9, 2019	FIRM TERM YR. 6 – YR. 10 MARCH 10, 2019 – MARCH 9, 2024	NON FIRM TERM YR. 11 – YR. 15 MARCH 10, 2024 – MARCH 9, 2029
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT <sup>1</sup>	\$ 312,770.82	\$ 328,409.36	\$ 344,829.83
TENANT IMPROVEMENTS RENT <sup>2</sup>	\$ 67,671.67	\$ 0.00	\$ 0.00
OPERATING COSTS <sup>3</sup>	\$ 151,550.00	\$ 151,550.00	\$ 151,550.00
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) <sup>4</sup>	\$ 5,397.98	\$ 0.00	\$ 0.00
PARKING <sup>5</sup>	\$ 0.00	\$ 0.00	\$ 0.00
<b>TOTAL ANNUAL RENT</b>	<b>\$ 537,390.47</b>	<b>\$ 479,959.36</b>	<b>\$ 496,379.83</b>

\*March 10, 2015, is the estimated construction completion date for the Government's inspection and acceptance of the space, and is subject to change.

<sup>1</sup>Shell rent calculation:

\* (March 10, 2015, date is subject to change and pending Government's acceptance of the Tenant Improvements);  
 (Firm Term) \$10.58302835 per RSF multiplied by 29,554 RSF;  
 (Firm Term, step increase) \$11.11217973 per RSF multiplied by 29,554 RSF  
 (Non Firm Term) \$11.5677888 per RSF multiplied by 29,554 RSF

<sup>2</sup>The Tenant Improvement Allowance of \$228,790.82 is amortized at a rate of 8.5 percent per annum over 4 years (48 months estimated remaining firm term).

<sup>3</sup>Operating Costs rent calculation: \$5.1279014 per RSF multiplied by 29,554 RSF

<sup>4</sup>Building Specific Amortized Capital (BSAC) of \$18,250.00 is amortized at a rate of 8.5 percent per annum over 4 years (48 months estimated remaining firm term).

<sup>5</sup>Parking costs described under sub-paragraph H below

INITIALS:  &   
 LESSOR GOVT

B. Intentionally deleted.

C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

D. Rent is subject to adjustment based on the final Building Specific Amortized Capital (BSAC) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.

E. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.

F. Rent shall be paid to Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration (CCR), now the System for Award Management (SAM). If the payee is different from the Lessor, both payee and Lessor must be registered in SAM.

G. Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

1. The leasehold interest in the Property described in the paragraph entitled "The Premises."

2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

H. Parking shall be provided at no additional cost to the Government.

5.) Paragraph 1.07 of the Lease shall be deleted in its entirety and replaced with the following:



**\*1.07 DOCUMENTS INCORPORATED BY REFERENCE**

The following documents are attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
FLOOR PLAN(S)	1	A
PARKING PLAN(S)	1	B
SECURITY REQUIREMENTS	6	C.2
SECURITY UNIT PRICE LIST	2	D
GSA FORM 3517B GENERAL CLAUSES	47	E
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	F
LEGAL DESCRIPTION	1	G
24-HOUR HVAC REPLACEMENT	2	H
SCOPE OF WORK PLAN – RENOVATIONS & IMPROVEMENTS FOR GILA NATIONAL FOREST LEASE BUILDING	1	I

"SECURITY REQUIREMENTS; Exhibit 'C' " of the Lease shall be deleted in its entirety and replaced with "SECURITY REQUIREMENTS; Exhibit 'C.2' ", attached hereto and made a part hereof.

"SCOPE OF WORK PLAN – RENOVATIONS & IMPROVEMENTS FOR GILA NATIONAL FOREST LEASE BUILDING; Exhibit 'I', is attached hereto and made a part hereof.

INITIALS:  &   
LESSOR GOV'T

6.) Paragraph 1.18 shall hereby be added to the Lease (GSA Form L202) with the following:

**1.18 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)**

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$228,790.82**. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the 4 years at an annual interest rate of 8.5 percent.

7.) Paragraph 1.19 shall hereby added to the Lease (GSA Form L202) with the following:

**1.19 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)**

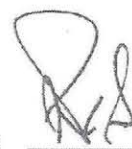

For pricing TI costs, the following rates shall apply for the initial build-out of the Space.

	INITIAL BUILD-OUT
ARCHITECT/ENGINEER FEES ( \$ PER ABOA SF OR % OF TI CONSTRUCTION COSTS)	7.0%
LESSOR'S PROJECT MANAGEMENT FEE (% OF TI CONSTRUCTION COSTS)	5.0%

8.) Paragraph 1.19 shall hereby added to the Lease (GSA Form L202) with the following:

**1.20 BUILDING SPECIFIC AMORTIZED CAPITAL (SEP 2012)**

For purposes of this Lease, the Building Specific Amortized Capital (BSAC) is **\$18,250.00**. The Lessor will make the total BSAC amount available to the Government, which will use the funds for security related improvements. This amount is amortized in the rent over 4 years at an annual interest rate of 8.5 percent.

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