

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 5 TO LEASE NO. GS-10B-06879 Bldg# ID4377
ADDRESS OF PREMISES 2196 Channing Way, Idaho Falls, ID 83404-8034	PDN Number: PS0026141

THIS AGREEMENT, made and entered into this date by and between CHANNING SQUARE PROPERTIES, LLC

whose address is 2630 LEGENDS CIRCLE
IDAHO FALLS, ID 83404-8034

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 beneficial occupancy, to reduce the square footage; to amend the operating cost base; commission/commission credit; and order changes.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective August 12, 2013. In addition, use of the GSA Form 276, Supplemental Lease Agreement, 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."

Paragraphs 1, 2, 3, 5, 8, 9, 10, 11, 19 & 22 of the SFO and its amendments are deleted in their entirety and replaced below, and paragraph 23 is hereby added.

1. Premises. The Lessor hereby leases to the Government the following described premises:

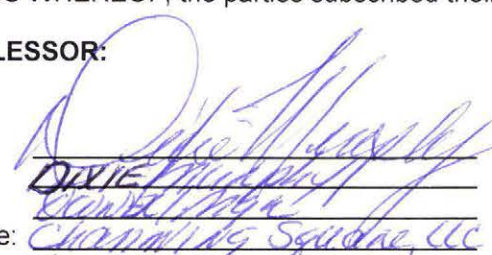
A total of **6,156** rentable square feet (RSF) yielding approximately **5,733** ANSI/BOMA Office Area square feet and related space located at Channing Square Center, 2196 Channing Way, Idaho Falls, ID 83404-8034, as depicted on the attached Exhibit A (the "Premises"), to be used for **SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.**

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This Lease Amendment contains {5} 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.

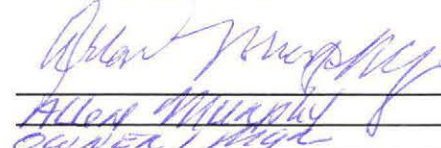
FOR THE LESSOR:

Signature: 
 Name: DAVID MURPHY
 Title: Owner
 Entity Name: Channing Square, LLC
 Date: 11-15-13

FOR THE GOVERNMENT:

Signature: 
 Name: Hilda Gonzalez
 Title: Contracting Officer
 GSA, Public Buildings Service,
 Date: DEC 3 2013

WITNESSED FOR THE LESSOR BY:

Signature: 
 Name: Allen Murphy
 Title: Owner / Agent
 Date: 11-15-13

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TO HAVE AND TO HOLD the said premises and their appurtenances for the term beginning **October 1, 2012, and continuing through August 11, 2023, subject to renewal rights as are hereinafter set forth.**

3. Rent. The Government shall pay the Lessor annual rent of:

LEASE TERM	SHELL RENT	OPERATING BASE ²	AMORTIZATION OF TI'S	MONTHLY RENT	TOTAL ANNUAL RENT
10/1/2012 - 8/11/13	\$99,419.40	\$0.00	\$0.00		
8/12/13 – 8/11/18	\$99,419.40	\$32,195.88	\$26,988.62	\$ 13,216.99	\$158,603.90
8/12/18 – 8/11/19	\$109,453.68	\$32,195.88	\$ 26,988.62	\$ 14,053.18	\$168,638.18
8/12/19 – 8/11/20	\$111,608.28	\$32,195.88	\$ 26,988.62	\$ 14,232.73	\$170,792.78
8/12/20 – 8/11/21	\$113,824.44	\$32,195.88	\$ 26,988.62	\$ 14,417.41	\$173,008.94
8/12/21 – 8/11/22	\$116,040.60	\$32,195.88	\$26,988.62	\$ 14,602.09	\$175,225.10
8/12/22 – 8/11/23	\$118,379.88	\$32,195.88	\$26,988.62	\$ 14,797.03	\$177,564.38

¹ Acceptance of TI's occurred 8/12/13.

² Operating costs subject to annual adjustments per paragraph 10.

Rent for a lesser period shall be prorated and monthly paid in arrears. Rent checks shall be payable to:

CHANNING SQUARE PROPERTIES, LLC
2630 LEGENDS CIRCLE
IDAHO FALLS, ID 83404-8304

5. This Lease may be renewed at the option of the Government for a term of five (5) years firm at the following rental rate(s):

OPTION TERM 1, 8/12/23 – 8/11/28		
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL RENTAL RATE	\$125,767.08	\$20.43
OPERATING COST	OPERATING COST BASIS SHALL REMAIN UNCHANGED FROM THE ORIGINAL LEASE TERM AND IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

Provided notice is given to the Lessor at least 90 days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.

8. In accordance with SFO Paragraph 3.2 entitled, *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of **\$219,553.49** (5,733 ABOA square feet x \$38.296440) shall be amortized through the rent for 120 months beginning 8/12/2013 at the rate of **4.25%**. The total annual cost of Tenant Improvements shall be \$26,988.62.
9. In accordance with SFO Paragraph 4.2 entitled, *Tax Adjustment*, the real estate tax base is **\$28,381.00** and the property consists of assessor parcel number **RPA3047104008F**. The property is not yet fully assessed. The percentage of Government occupancy is established as **31.38%** (6,156 RSF / 19,618 RSF).

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8. In accordance with the SFO Paragraph 4.3, entitled *Operating Costs*, the operating cost base has been adjusted by CPI annually from time of lease execution to beneficial occupancy and is established as **\$32,195.88** per annum (\$5.23/RSF) and shall be adjusted annually per CPI. The next operating cost adjustment will be 8/12/2014 and every year thereafter.
9. In accordance with the SFO Paragraph 4.1, entitled *Measurement of Space*, the common area factor is established as **1.07%** (6,156 RSF / 5,733 ABOA SF).

19. COMMISSION AND COMMISSION CREDIT: In accordance with SFO Paragraph 2.5, entitled *Broker Commission and Commission Credit*, CBRE, Inc., ("CBRE") is the authorized real estate broker representing GSA in connection with this Lease transaction. The Lessor and CBRE have agreed to a lease commission of [REDACTED] of the Aggregate Lease Value for lease years 1-10 ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon

Lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall 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.

Notwithstanding Paragraph 3 of this 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 following Beneficial Occupancy and continue as indicated in this schedule for adjusted Monthly Rent.

First Full Month's Rental Payment of **\$13,216.99** minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Full Month's Rent.

Second Month's Rental Payment of **\$13,216.99** minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.

Third Month's Rental Payment of **\$13,216.99** minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

22. TI COSTS OVER THE TENANT IMPROVEMENT ALLOWANCE & LUMP SUM PAYMENT

The following change order costs have been reviewed and approved by the Government as fair and reasonable. The costs indicated below include all costs for labor, materials, fees, overhead, profit and any other costs required to complete this work. Lease Amendment 3 dated 6/18/13 provided approval for change orders 1, 2, 3 & 5. Lease amendment 4 dated July 23, 2013 provided approval for change orders 4 & 6. This lease amendment provides further approval of change orders 7, 8, 9, 10 & 12, as documented in the attached Exhibit B.

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22. Continued:

TI Change Orders with NTP Issued by Lease Amendment due to costs exceeding the TIA		
Change Order #1	ADD: Window @ entry vestibule	
Change Order #2	DEDUCT: Auto door closer on PI room	Deduction in CO#1
Change Order #3	ADD: Electrical Panel A-2 ADD: Outlet @ DMs Office for Monitor	
Change Order #5	ADD: Adjust Hallway at Room 104	
	TOTAL CHANGE ORDER COSTS (LA 3)	\$7,872.29
Change Order #4	ADD: [REDACTED]	
Change Order #6	ADD: Labor costs for tile installation	
	TOTAL CHANGE ORDER COSTS (LA 4)	\$25,725.27
Change Order #7	ADD: Costs to combine all electrical service to one meter, per local requirements	
Change Order #8	ADD: [REDACTED]	
Change Order #9	ADD: Replacement for Daylight Sensors per GSA	
Change Order #10	ADD: Provide electrical hook up for systems furniture	
Change Order #12	ADD: Isolated ground and data line for network copier.	
	TOTAL CHANGE ORDER COSTS (LA 5)	\$6,304.80
	TOTAL CHANGE ORDERS TO DATE:	\$39,902.36

- I. A Notice to Proceed for Tenant Improvements, dated April 11, 2013, approved a total TI cost of \$475,285.57.
- II. Further authorization for change orders 1, 2, 3 & 5 was issued via Lease Amendment #3 dated 6/18/13 increasing the total TI cost to \$483,157.86.
- III. Added authorization for change orders 4 & 6 was issued via Lease Amendment #4 dated July 23, 2013 increasing the total TI cost to \$508,883.13.
- IV. With the addition of Change Orders 7, 8, 9, 10 & 12 outlined above, the new total TI cost is \$515,187.93, which exceeds the TIA of \$219,553.49. The remaining costs for TIs over the TIA in the amount of \$295,634.44 will be paid via lump sum. The Government hereby confirms that all TI work is complete and accepted and the Lessor may also submit an invoice in the amount of \$295,634.44.

The original invoice should be sent electronically to (www.finance.gsa.gov) **AND** must be sent directly to the GSA Finance Office at the following address:

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

A copy of the original invoice should be sent (electronic email ok) to the Contracting Officer at:

Hilda Gonzalez
Lease Contracting Officer
GSA
400 N. 15th St. SW
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 description, price, and quantity of the items delivered
- GSA PDN#/PS PS0026141

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it.

Paragraph 23 is hereby added to the lease as follows:

23. Release of Claims: Upon execution of LA No. 5, Lessor shall be deemed to have released the Government, as of the date of such execution, of and from any and all claims, payments, demands for relief, remedies or equitable adjustments, known or unknown, of any nature or description whatsoever, legal or equitable, which relate directly or indirectly to Lease No. GS-10B-06879 and arising from or relating to facts or incidences occurring prior to issuance of this LA.

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

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