

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 2
	TO LEASE NO. GS-07P-LAR17232
ADDRESS OF PREMISES 3608 Kiehl Avenue Sherwood, AR 72120	PDN Number: PS0034504

THIS AMENDMENT is made and entered into between **Central Arkansas Supply System**

whose address is: 5317 John F Kennedy Boulevard
North Little Rock, AR 72116

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 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 by the Government as follows:

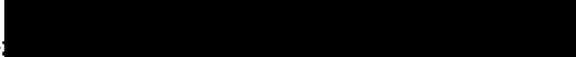
- 1.) To accept the Tenant Improvements (TIs) as substantially complete; and
- 2.) To establish the commencement date of the lease rental payments; and
- 3.) To establish the termination date of the lease; and
- 4.) To document the amount of area leased by the Government; and
- 5.) To document the common area factor; and
- 6.) To establish the annual rental amounts; and
- 7.) To establish the method of payment of the total Tenant Improvement costs; and
- 8.) To document the percentage of occupancy; and
- 9.) To document the Base Cost of Services; and
- 10.) To establish parking in the lease; and
- 11.) To document the Broker Commission and the Commission Credit; and
- 12.) All other terms and conditions of this lease shall remain in full force and effect.

This Lease Amendment contains 3 pages.

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

FOR THE LESSOR:

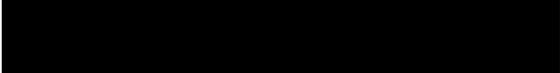
CENTRAL ARKANSAS SUPPLY SYSTEM

Signature: 
Name: THORNTON A. McRIMMERY
Title: OWNER
Entity Name: CASST
Date: 7-19-16

FOR THE GOVERNMENT:

Signature: 
Name: Lindsay Killian
Title: Lease Contracting Officer
GSA, Public Buildings Service
Date: 7/28/2016

WITNESSED FOR THE LESSOR BY:

Signature: 
Name: THORNTON A. McRIMMERY
Title: OWNER
Date: 7-19-16

1. The Tenant Improvements (TIs) have been substantially completed and the Government accepts the leased space on July 6, 2016. The Lessor and the Government agree that the requirements specifically identified in the GSA Form 1204 Condition Survey Report; which is depicted in the attached Exhibit "A", have not been met and these items are deficiencies. The Lessor is required to cure these deficiencies by August 6, 2016. Within 7 days of the completion date for the Lessor to cure the deficiencies in Exhibit "A" of this Lease Amendment, 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 Commencement Date of the rental shall be July 6, 2016, and shall expire on July 5, 2026, subject to the termination rights set forth herein.
3. The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, July 5, 2021, 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 total square footages of the leased premise is established as 10,483 rentable square feet (RSF), yielding 9,773 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space located on the first floor of the Building.
5. The Common Area Factor is established as 7.26% (10,483 RSF/9,773 ABOA).
6. The Government shall pay the Lessor annual rent as follows:

From July 6, 2016 through July 5, 2021, the total annual rental shall be \$316,108.39 at the rate of \$26,342.37 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$164,253.15, annual Operating Costs of \$61,220.72, BSAC costs of \$1,631.82, and Tenant Improvement Costs of \$89,002.70, plus annual Operating Cost Adjustments.

From July 6, 2021 through July 5, 2026, the total annual rental shall be \$230,626.00 at the rate of \$19,218.83 paid monthly in arrears. The total annual rent consists of annual Shell Rent of \$169,405.28, annual Operating Costs of \$61,220.72, plus annual Operating Cost Adjustments.

7. The Government and the Lessor have agreed that the total cost of the TI's and BSAC (including change orders) shall be \$512,018.69. The Government shall pay for a portion of the total TI and BSAC cost by amortizing \$381,435.34 over the first five (5) years of the term, monthly in arrears, at an interest rate of 7.00%. All or a portion of the remaining balance of \$130,583.35 [$\$512,018.69$ (Total TI and BSAC cost) - $\$374,567.82$ (TI amortized) - $\$6,867.52$ (BSAC amortized) = $\$130,583.35$] may be paid by lump-sum, in which case, the amortized portions of the rent shall be adjusted accordingly upon the completion and acceptance by the Government of the TIs and BSAC on a subsequent Acceptance Lease Amendment.

Upon acceptance of the TIs by the Government, the Lessor may submit for payment of the lump-sum payment. The Lessor agrees that the invoice shall be printed on the same letterhead as the Lessor named on this lease, shall include the Lease number, building address, and a price and quantity of items delivered. The invoice shall reference the number **PS0034504** 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 at FW-PaymentSearch.finance@gsa.gov.

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)

INITIALS:


LESSOR

&


GOVT

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 Lease Contracting Officer at the following address:

General Services Administration
Attn: Lindsay Killian
819 Taylor Street, Room 11A
Fort Worth, TX 76102
Phone: 817.978.0837
lindsay.killian@gsa.gov

- 8. The percentage of occupancy for Real Estate Tax purposes is established as 100% [10,483 RSF / 10,483 RSF X 100].
- 9. For the purposes of Operating Cost adjustments as provided in the lease agreement, the Lessor's base rate shall be \$5.84 per RSF (\$61,220.72/annum) and the base year shall be established at year 2016.
- 10. The number of parking spaces assigned to this lease shall be 76 surface/outside parking spaces.
- 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 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 \$26,342.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1ST Month's Rent.*

Month 2 Rental Payment \$26,342.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2ND Month's Rent.*

Month 3 Rental Payment \$26,342.37 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3RD Month's Rent.*

* Subject to change based on adjustments outlined under the paragraph "Rent and Other Consideration."

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

INITIALS: *BMK* & *JK*
LESSOR LESSOR GOVT