

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 1 TO LEASE NO. GS- 09P-LCA03221
ADDRESS OF PREMISES: 19777 Greenley Road, Sonora, CA 95370-5909	PDN Number:

THIS AMENDMENT is made and entered into between **SONORA BUILDING COMPLEX**, a California General Partnership,

whose address is: 1413 Greenfield Avenue, Los Angeles, CA 90025-3486

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

WHEREAS, the parties desire to amend the above Lease in order to provide certain changes including to establish the Lease Term, adjust the rent payable and adjust the commission and commission credit payable pursuant to the terms of the Lease; and

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:

The Paragraph titled LEASE TERM on the cover page and Paragraphs 1.03 A, B, C, D and E; 1.04; and 2.05 are hereby deleted and substituted in their entirety by the followings Paragraphs. Paragraph 1.01 is amended as follows.

-----Continued on Page 2-----

This Lease Amendment contains 4 pages.

All other terms and conditions of the lease shall remain in full force and effect.

[Redacted Signature]

scribed their names as of the below date.

FOR THE GOV

Signature: [Redacted]
 Name: [Redacted]
 Title: [Redacted]
 Entity Name: GSA, Public Buildings Service,
 Date: 3/5/15

Date: _____

WITNESSED FOR THE LESSOR BY:

[Redacted Signature]
 Signature: _____
 Name: MICHELLE LAVEE
 Title: _____
 Date: _____

LEASE TERM

To Have and To Hold the said Premises with its appurtenances for the term beginning on January 1, 2015 ("Lease Commencement") and continuing through December 31, 2024, subject to termination and renewal rights as may be herein set forth.

1.01 THE PREMISES (JUN 2012)

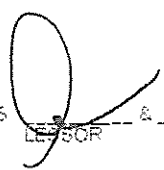

The Government accepts the space "As Existing" (as such term is defined in this Paragraph 1.01) in its condition as of Lease Commencement pursuant to the terms and conditions of this paragraph. For purposes of the lease, "As Existing" shall mean the following: All items referred to "As Existing" shall be those items that are in existence as of lease award in the configuration and the condition existing as of lease award (the "Existing Items") including, but not limited to, carpet, floorcovering, wall covering, painted surfaces and mechanical, electrical and plumbing systems. The Existing Items have therefore been accepted as being in "good repair and tenantable condition" as of the lease commencement. Further, Lessor shall maintain (or replace, if necessary) such Existing Items so that they remain in "good repair and tenantable condition" throughout the term of this lease. If replacement of Existing Items becomes necessary, such replacement shall be at the Lessor's sole cost and expense including but not limited to the security of the premises and the moving and returning of furnishings, including disassembly and reassembly of systems furniture per manufacturer's warranty. All work shall be performed after normal business hours as described elsewhere in the lease, or, if reasonably necessary to be performed during business hours, then Landlord shall perform such work in a manner so as to minimize any disruption of the Government's business. The replacement must be no less than equal in quality and function to the Existing Items or shall meet the performance standards of the previous lease (Lease No. 57-91S8-01-S02, dated December 12, 2000). These standards include security improvements, Fire Protection and Life Safety requirements, ABAAS compliance, as well as compliance with all local codes and ordinances. The addition of this paragraph in no way relieves the Lessor from maintenance of the Premises and all improvements as outlined in Paragraph 12 of GSA Form 3517B.

1.03 RENT AND OTHER CONSIDERATION (SEP 2013)

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

	Shell Rent per Rsf/Yr	Operating Expenses per Rsf/Yr(3)	Amortized TI's per Rsf/Yr(2)	Amortized BSAC per Rsf/Yr(4)	Total Annual Rent per Rsf	Total Annual Rent (1)
Year 1	\$15.18	\$6.11	TBD	TBD	\$21.29	\$865,800.43
Year 2	\$15.18	\$6.11	TBD	TBD	\$21.29	\$865,800.43
Year 3	\$15.66	\$6.11	TBD	TBD	\$21.77	\$885,320.59
Year 4	\$15.66	\$6.11	TBD	TBD	\$21.77	\$885,320.59
Year 5	\$16.14	\$6.11	TBD	TBD	\$22.25	\$904,840.75
Year 6	\$16.14	\$6.11	TBD	TBD	\$22.25	\$904,840.75
Year 7	\$16.38	\$6.11	TBD	TBD	\$22.49	\$914,600.83
Year 8	\$16.38	\$6.11	TBD	TBD	\$22.49	\$914,600.83
Year 9	\$16.38	\$6.11	TBD	TBD	\$22.49	\$914,600.83
Year 10	\$16.38	\$6.11	TBD	TBD	\$22.49	\$914,600.83

(1) Rent calculation: Annual rent for Years 1 and 2 is based on \$21.29 per RSF multiplied by 40667 RSF, but is subject to increase for Amortized Tenant Improvement Allowance upon completion of tenant improvement work per note (2) below, annual CPI increases in Operating Costs per note (3) below, and BSAC work per note (4) below.

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(C) Tenant Improvements. The Amortized Tenant Improvement Allowance component of rent is based on a maximum allowance of \$1,287,638.12, amortized over the remaining term of the Lease and shall include interest at a rate of 6 percent per annum. The parties shall mutually determine what improvements will be paid for with the Tenant Improvement Allowance. To the extent the Government elects to utilize all or any portion of such allowance, the rental rate shall be so increased, effective as of acceptance of such tenant improvement work, as provided in Paragraph 4.11. Thus, for example, if the Government elects to utilize all of such allowance, and such work were accepted effective as of Lease Commencement, and then additional rent for such Amortized TIs per RSF/Year would be \$4.22 per RSF/Year.

(D) Operating Costs. Operating Costs component of rent is based upon an allowance of \$6.11 per RSF multiplied by 40,667 RSF and is subject to annual CPI escalation per Paragraph 2.09 hereof. Actual operating expenses will be memorialized in a future lease amendment.

(A) BSAC. Building Specific Amortized Capital allowance component of rent (BSAC) is based on \$200,335, amortized over the remaining term of the Lease and shall include interest at a rate of 6 percent per annum. To the extent the Government elects to utilize all or any portion of such allowance, the rental rate shall be so increased, effective as of acceptance of such tenant improvement work. Thus, for example, if the Government elects to utilize all of such allowance, and such work were accepted effective as of Lease Commencement, then additional rent for such Amortized TIs per RSF/Year would be \$0.670 per RSF/Year.

B. Rent is subject to adjustment based upon a mutual on-site measurement (as per Paragraph 2.01 P.) of the Space (as defined in Paragraph 2.01 O.), not to exceed 40,667 ABOA SF, based upon the methodology outlined under the "Payment" clause of GSA Form 3714.

C. Rent shall be increased to include recovery of Tenant Improvement (TI) allowances utilized by the Government per (2) above.

D. Rent shall be increased to include recovery of Building Specific Amortized Capital (BSAC) allowances utilized by the Government per note (4) above.

(1) Payment of rent for tenant improvements or BASC, if any, shall commence upon acceptance of such tenant improvements or BASC, as the case may be, and shall be amortized in accordance with Paragraph 1.08 and/or Paragraph 1.11 of the Lease respectively, upon substantial completion and acceptance of such tenant improvements or BASC by the Government as provided in Paragraph 4.11.

E. The parties acknowledge that the previous lease was a triple net lease, and because the new Lease is on a gross basis, not triple net, the transition of utilities, subcontractors, and operating costs will take some time to complete, which will not occur until after the Lease Commencement. Therefore, the parties will need to coordinate with each other to transition utilities and operating expense contracts from the Government and/or [REDACTED] to the Lessor, after the Lease Commencement. In the event that after all of such bills have been transferred into Lessor's name, the Government has paid for a portion of any such bills for time periods after the Lease Commencement AND the Lessor has received operating expense rent as provided in Section 1.03 of the Lease with respect to the same time period, then the parties shall mutually determine the difference between what the Government has paid directly for utilities post Lease Commencement, and what the Government has paid Lessor for operating expenses via the operating expense rent, and the Lessor shall reimburse the Government the amount of any amounts overpaid. The parties acknowledge that the intent is to true-up costs and expenses in order to make Lessor whole for what Lessor would have received under the Lease if all the transitioning of operating costs and expenses (and underlying utilities, service contracts, and the like) had occurred on January 1, 2015.

1.04 BROKERAGE COMMISSION AND COMMISSION CREDIT (JUN 2012)

A. Carpenter/Robbins Commercial Real Estate, Inc. (Broker) is the authorized real estate Broker representing GSA in connection with this Lease transaction. The total amount of the Commission is [REDACTED] 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 Carpenter/Robbins Commercial Real Estate, 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.

B. 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:

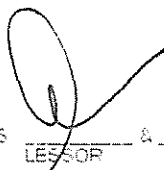

Month 1 Rental Payment of \$72,150.04 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

Month 2 Rental of \$72,150.04 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.*

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

2.05 PAYMENT OF BROKER (JUL 2011)

If GSA awarded the Lease through its Broker, the Lessor shall pay GSA's broker its portion of the commission as provided in Paragraph 1.04. "Its portion of the commission" means the agreed-upon commission to GSA's Broker minus the Commission Credit specified in Paragraph 1.04.

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