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| GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE | LEASE AMENDMENT No. 1 |
| LEASE AMENDMENT | TO LEASE NO. GS-08P-LCO14904 |
| ADDRESS OF PREMISES: 111 S. Tejon Street, Suite 601 Colorado Springs, CO 80903 | PDN Number: N/A |

THIS AGREEMENT, made and entered into this date by and between **SCMC, LLC C/O Nor' Wood Development**

whose address is: 111 S. Tejon Street, Suite 222
Colorado Springs, CO 80903

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 expand the leased premises.


NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective April 18, 2016 as follows:

- 1.) The Lessor and Government have agreed to increase the amount of leased area to 19,760 RSF and 17,330 ABOA. The specific leased area the Government will acquire from the Lessor is depicted and outlined on the attached Floor Plan labeled Exhibit "A." The Common Area Factor is revised to 1.14. Additionally, Lessor shall provide 41 on-site structured/inside parking spaces for the exclusive use of the Government.


This Lease Amendment contains 2 pages.

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


FOR THE LESSOR:

Signature: 
 Name: Christopher S Jenkins
 Title: Manager
 Entity Name: SCMC, LLC
 Date: 11-9-2016

FOR THE GOVERNMENT:

Signature: 
 Name: Mark Pearce
 Title: Lease Contracting Officer
 GSA, Public Buildings Service
 Date: 12/9/16

WITNESSED FOR THE LESSOR BY:

Signature: 
 Name: Lori Jibreen
 Title: Lease Administrator
 Date: 11-9-2016

2.) The new Rental amounts shall be as follows:

| | FIRM TERM | NON FIRM TERM |
|---|---------------------|---------------------|
| | ANNUAL RENT | ANNUAL RENT |
| SHELL RENT ¹ | \$298,178.40 | \$312,998.40 |
| TENANT IMPROVEMENTS RENT ² | \$132,292.83 | \$0.00 |
| OPERATING COSTS ³ | \$86,343.73 | \$86,343.73 |
| BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴ | \$5,290.10 | \$0.00 |
| PARKING | \$0.00 | \$0.00 |
| TOTAL ANNUAL RENT | \$522,105.08 | \$399,342.13 |

¹Shell rent calculation:

(Firm Term) \$15.09 per RSF multiplied by 19,760 RSF

(Non Firm Term) \$15.84 per RSF multiplied by 19,760 RSF

²The Tenant Improvement Allowance of \$754,653.91 is amortized at a rate of 6 percent per annum over 7 years.

³Operating Costs rent calculation: \$4.369621823 per RSF multiplied by 19,760 RSF

⁴Building Specific Amortized Capital (BSAC) of \$37,030.69 are amortized at a rate of 0 percent per annum over 7 years

- 3.) The percentage of occupancy for Real Estate Tax purposes shall change to 10.40% [19,760 RSF/190,046 RSF]. The Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is changed to **\$364,072.00**. Tax adjustments shall not occur until the tax year following lease commencement has passed.
- 4.) For the purposes of Consumer Price Index adjustments as provided in the lease agreement, the Base Cost of Services shall be \$86,343.73.
- 5.) The total costs of the Tenant Improvements that shall be amortized monthly in the rent over the firm term of the lease, at 6.0% is \$754,653.91. The total costs of Building Specific Amortized Capital that shall be amortized monthly in the rent over the firm term of the lease, at 0.0% is \$37,030.69.
- 6.) The new Commission and Commission Credit shall be as follows:

A. **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.

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 \$43,508.76 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1ST Month's Rent.*

Month 2 Rental Payment \$43,508.76 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2ND Month's Rent.*

Month 3 Rental Payment \$43,508.76 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."

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

INITIALS:

LESSOR

&

GOVT