

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 1
LEASE AMENDMENT	TO LEASE NO. GS-04P-LGA60208
ADDRESS OF PREMISES: 2635 Century Parkway Ste 600 Atlanta, GA 30345-3118	PDN Number: NA

THIS AMENDMENT is made and entered into between Highwoods Realty Limited Partnership

whose address is: 2200 Century Parkway NE Ste. 800 Atlanta, GA 30345-3118

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 in accordance with the Lease Contract Lease GS-04P-LGA60208, define the lease term and rental rates, issue the payment of Tenant Improvement (TI) Rent upon completion of the TIs, and establish a baseline schedule for the completion of space and provisions of the swing space provided during the lease construction phase.


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 August 21, 2014 to establish beneficial occupancy and lease term of Lease GS-04P-LSC60047, , establish the Rental Rate, establish the release of Tenant Improvement (TI) Rent upon completion of the TIs, to establish the design, construction and post-award activities of Lease and identify swing space for GS-04P-LGA60208. Paragraph LEASE TERM, RENTAL RATE, Paragraph 1.03.a RENT AND OTHER CONSIDERATIONS (SEP 2013), and Section 4. DESIGN, CONSTRUCTION, AND POST AWARD ACTIVITIES, are deleted in their entirety and substituted therefore and Section 5.01.C. SWING SPACE is respectfully added as follows:

1 LEASE TERM


TO HAVE AND TO HOLD the said premises with their appurtenances for the Ten (10) YEAR, five (5) year firm term beginning on September 1, 2014 through August 31, 2024.

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

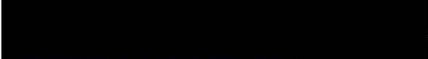
FOR THE LESSOR:

Signature: 
Name: Jim Sacchetta
Title: VP
Entity Name: Highwoods Realty L.P.
Date: 9.11.14

FOR THE GOVERNMENT:

Signature: 
Name: Kelli D. Rollins
Title: Lease Contracting Officer
Entity Name: GSA, Public Buildings Service
Date: 9.16.2014

WITNESSED FOR THE LESSOR BY:

Signature: 
Name: [Redacted]
Title: Mgr. Lease Administration
Date: 9.11.14

2 RENTAL RATE. The Government shall pay the Lessor annual rent for the entire term, monthly in arrears, as follows:

TERM	SHELL RATE (PRSF/PUSF)	OPERATING RENT (PRSF/PUSF)	AMORTIZED TENANT IMPROVEMENT*	MONTHLY RATE	ANNUAL RENT
SEPTEMBER 1, 2014 TO AUGUST 31, 2019	\$12.66/\$13.50	\$5.18/\$5.52	\$0.00	\$33,146.72	\$397,760.64
SEPTEMBER 1, 2019 TO AUGUST 31, 2024	\$15.02/\$16.02	\$5.18/\$5.52	\$0.00	\$37,531.60	\$450,379.20

*Terms for the payment of T.I. are defined in Paragraph 1.03 RENT AND OTHER CONSIDERATIONS.

3 1.03 RENT AND OTHER CONSIDERATIONS

The Government shall pay the Lessor annual rent for the entire term, payable in monthly installments in arrears, based on 22,296 RSF/20,909 ANSI/BOMI Office Area (ABOA) square feet (SF) of office and related space as the following rates:

	SEPTEMBER 1, 2014 TO AUGUST 31, 2019	SEPTEMBER 1, 2019 TO AUGUST 31, 2024
	ANNUAL RENT	
SHELL RENT ¹	\$282,267.36	\$334,885.92
TENANT IMPROVEMENTS RENT	\$ 0.00	\$0.00
OPERATING COSTS ³	\$ 115,493.28	\$115,493.28
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$ 0.00	\$0.00
TOTAL ANNUAL RENT	\$397,760.64	\$450,379.20

¹Shell rent calculation:

(Firm Term) \$12.66 per RSF multiplied by 22,296 RSF

(Non Firm Term) \$15.02 per RSF multiplied by 22,296 RSF

³Operating Costs rent calculation: \$5.18 per RSF multiplied by 22,296 RSF.



- a. The Rental Rates stated in paragraph 1.3 of this Lease Amendment reflect the Government's withholding of TI Rent. A subsequent Lease Amendment will establish the Annual Tenant Improvement Rent. The Government shall release the annual TI rent amount of \$164,139.19 (the amount based on monthly installments) upon completion and acceptance of the TI work with a subsequent Lease Amendment. Completion of the TI work shall be completed no later than 120 days of the date of the Government issuance of the Notice to Proceed.

4 SCHEDULE FOR COMPLETION OF SPACE (succeeding) (JUN 2012)

Design and construction activities shall coincide with the attached with Exhibit A Schedule. Any variations from the schedule should be approved by the Contracting Officer. The Lessor shall schedule the following activities to achieve timely completion of the work required by this Lease:

A. **Lessor-Provided Design Intent Drawings (DIDs):** The Lessor must submit to GSA, as part of the shell cost, complete DIDs conforming to the requirements of this Lease and other Government-supplied information related to the tenant agency's interior build-out requirements not later than 21 Working Days following the Lease Award Date, provided that the Government supplies such information and direction as reasonably required for Lessor to timely complete DIDs. The Government (GSA and the tenant agency) shall attend two meetings at the Lessor's request for the purpose of providing information and direction in the development of DIDs. The Lessor should anticipate at least two submissions of DIDs before receiving approval. At the sole discretion of the Government, the Lessor may be required to submit a budget proposal based on the TIs and associated work as shown on the DIDs. This budget proposal shall be completed within 10 Working Days of the Government's request.

B. **DIDs.** For the purposes of this Lease, DIDs are defined as fully dimensioned drawings of the leased Space that reflect all Lease requirements provided by the Government sufficient for the preparation of construction documents (CDs), including, but not limited to:

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1. Generic furniture layout, wall, door, and built-in millwork locations;
2. Telephone, electrical, and data outlet types and locations;
3. Information necessary for calculation of electrical and HVAC loads;
4. Work related to security requirements; and
5. All finish selections.

C Government review and approval of Lessor-provided DIDs: The Government must notify the Lessor of DID approval not later than 25 Working Days following submission of DIDs conforming to the requirements of this Lease as supplied by the Government. Should the DIDs not conform to these requirements, the Government must notify the Lessor of such non-conformances within the same period; however, the Lessor shall be responsible for any delay to approval of DIDs occasioned by such non-conformance. The Government's review and approval of the DIDs is limited to conformance to the specific requirements of the Lease as they apply to the Space.

D The Lessor's preparation and submission of construction documents (CDs): The Lessor as part of the TI must complete CDs conforming to the approved DIDs not later than 12 Working Days following the approval of DIDs. The pricing for this work is included under the A/E fees established under Section 1 of the Lease. If during the preparation of CDs the Lessor becomes aware that any material requirement indicated in the approved DIDs cannot be reasonably achieved, the Lessor shall promptly notify GSA, and shall not proceed with completion of CDs until direction is received from the LCO. The LCO shall provide direction within 10 Working Days of such notice, but the Government shall not be responsible for delays to completion of CDs occasioned by such circumstances. For the purpose of this paragraph, a "material requirement" shall mean any requirement necessary for the Government's intended use of the Space as provided for in, or reasonably inferable from, the Lease and the approved DIDs (e.g., number of workstations and required adjacencies).

- A. Government review of CDs:** The Government shall have 20 Working Days to review CDs before Lessor proceeds to prepare a TI price proposal for the work described in the CDs. At any time during this period of review, the Government shall have the right to require the Lessor to modify the CDs to enforce conformance to Lease requirements and the approved DIDs.
- B. The Lessor's preparation and submission of the TI price proposal:** The Lessor shall prepare and submit a complete TI price proposal in accordance with this Lease within 12 Working Days following the end of the Government CD review period.
- C. Negotiation of TI price proposal and issuance of notice to proceed (NTP):** The Government shall issue NTP within 10 Working Days following the submission of the TI price proposal, provided that the TI price proposal conforms to the requirements of the paragraph titled "Tenant Improvements Price Proposal" and the parties negotiate a fair and reasonable price for TIs.
- D. Construction of TIs and completion of other required construction work:** The Lessor shall complete all work required to prepare the Premises as required in this Lease ready for use not later than 90 Calendar Days following issuance of NTP.

4.02 CONSTRUCTION DOCUMENTS (SEP 2012)

The Lessor's CDs shall include all mechanical, electrical, plumbing, fire protection, life safety, lighting, structural, security, and architectural improvements scheduled for inclusion into the Space. CDs shall be annotated with all applicable specifications. CDs shall also clearly identify TIs already in place and the work to be done by the Lessor or others. Notwithstanding the Government's review of the CDs, the Lessor is solely responsible and liable for their technical accuracy and compliance with all applicable Lease requirements.

4.03 TENANT IMPROVEMENTS PRICE PROPOSAL (SEP 2013)

The Lessor's TI price proposal shall be supported by sufficient cost or pricing data to enable the Government to evaluate the reasonableness of the proposal, or documentation that the Proposal is based upon competitive proposals (as described in the "Tenant Improvements Pricing Requirements" paragraph) obtained from entities not affiliated with the Lessor. Any work shown on the CDs that is required to be included in the Building shell rent or already priced as BSAC shall be clearly identified and excluded from the TI price proposal. After negotiation and acceptance of the TI price, GSA shall issue a NTP to the Lessor.

Design and construction activities for the Space shall commence upon Lease award.

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4.04 TENANT IMPROVEMENTS PRICING REQUIREMENTS (SEP 2013)

A. Under the provisions of FAR Subpart 15.4, the Lessor shall submit a TI price proposal with information that is adequate for the Government to evaluate the reasonableness of the price or determining cost realism for the TIs within the time frame specified in this section. The TI price proposal shall use the fee rates specified in the "Tenant Improvement Fee Schedule" paragraph of this Lease. The Lessor shall exclude from the TI price proposal all costs for fixtures and/or other TIs already in place, provided the Government has accepted same. However, the Lessor will be reimbursed for costs to repair or improve the fixture(s) and/or any other improvements already in place. The Lessor must provide certified cost or pricing data for TI proposals exceeding the threshold in FAR 15.403-4, to establish a fair and reasonable price. For TI proposals that do not exceed the threshold in FAR 15-403-4, the Lessor shall submit adequate documentation to support the reasonableness of the price proposal as determined by the LCO.

B. The TIs scope of work includes the Lease, the DIDs, the CDs, and written specifications. In cases of discrepancies, the Lessor shall immediately notify the LCO for resolution. All differences will be resolved by the LCO in accordance with the terms and conditions of the Lease.

C. In lieu of requiring the submission of detailed cost or pricing data as described above, the Government (in accordance with FAR 15.403) is willing to negotiate a price based upon the results of a competitive proposal process. A minimum of two qualified General Contractors (GCs) shall be invited by the Lessor to participate in the competitive proposal process. Each participant shall compete independently in the process. In the absence of sufficient competition from the GCs, a minimum of two qualified subcontractors from each trade of the Tenant Improvement Cost Summary (TICS) Table (described below) shall be invited to participate in the competitive proposal process.

D. Each TI proposal shall be (1) submitted by the proposed General Contractors (or subcontractors) using the TICS Table in CSI Masterformat; (2) reviewed by the Lessor prior to submission to the Government to ensure compliance with the scope of work (specified above) and the proper allocation of shell and TI costs; and (3) reviewed by the Government. General Contractors shall submit the supporting bids from the major subcontractors along with additional backup to the TICS Table in a format acceptable to the Government. Backup will follow the TICS table Master format cost elements and be to level 5 as described in P-120, Project Estimating Requirements for the Public Buildings Service.

E. Unless specifically designated in this Lease as a TI or BSAC cost, all construction costs shall be deemed to be included in the Shell Rent. Any costs in the GC's proposal for Building shell items shall be clearly identified on the TICS Table separately from the TI costs.

F. The Government reserves the right to determine if bids meet the scope of work, that the price is reasonable, and that the Lessor's proposed contractors are qualified to perform the work. The Government reserves the right to reject all bids at its sole discretion. The Government reserves the right to attend or be represented at all negotiation sessions between the Lessor and potential contractors.

G. The Lessor shall demonstrate to the Government that best efforts have been made to obtain the most competitive prices possible, and the Lessor shall accept responsibility for all prices through direct contracts with all contractors. The LCO shall issue to the Lessor a NTP with the TIs upon the Government's sole determination that the Lessor's proposal is acceptable. The Lessor shall complete the work within the time frame specified in this section of the Lease.

4.05 CONSTRUCTION SCHEDULE AND INITIAL CONSTRUCTION MEETING (APR 2011)

The Lessor shall furnish a detailed construction schedule (such as Critical Path Method) to the Government within 10 Working Days of issuance of the NTP. Such schedule shall also indicate the dates available for Government contractors to install telephone/data lines or equipment, if needed. Within 10 Working Days of NTP, the Lessor shall initiate a construction meeting. The Lessor will have contractor representatives including its architects, engineers, general contractor and sub-contractor representatives in attendance. The Lessor shall keep meeting minutes of discussion topics and attendance.

4.06 PROGRESS REPORTS (JUN 2012)

After start of construction, the Lessor shall submit to the LCO written progress reports at intervals of 14 Working Days. Each report shall include information as to the percentage of the work completed by phase and trade; a statement as to expected completion and occupancy dates; changes introduced into the work; and general remarks on such items as material shortages, strikes, weather, etc, that may affect timely completion. In addition, at the Government's discretion, the Lessor shall conduct meetings every two weeks to brief Government personnel and/or contractors regarding the progress of design and construction of the Space. The Lessor shall be responsible for taking and distributing minutes of these meetings.

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4.07 ACCESS BY THE GOVERNMENT PRIOR TO ACCEPTANCE (SEP 2013)

The Government shall have the right to access any space within the Building during construction for the purposes of performing inspections or installing Government furnished equipment. The Government shall coordinate the activity of Government contractors with the Lessor to minimize conflicts with and disruption to other contractors on site. Access shall not be unreasonably denied to authorized Government officials including, but not limited to, Government contractors, subcontractors, or consultants acting on behalf of the Government on this project.

4.08 CONSTRUCTION INSPECTIONS (APR 2011)

A. The LCO or the LCO's designated technical representative may periodically inspect construction work to review compliance with Lease requirements and approved DIDs.

B. Periodic reviews, witnessing of tests, and inspections by the Government shall not constitute approval of the Lessor's apparent progress toward meeting the Government's objectives but are intended to discover any information which the LCO may be able to call to the Lessor's attention to prevent costly misdirection of effort. The Lessor shall remain responsible for designing, constructing, operating, and maintaining the Building in full accordance with the requirements of the Lease.

4.09 ACCEPTANCE OF SPACE AND CERTIFICATE OF OCCUPANCY (SEP 2013)

A. Ten (10) Working Days prior to the completion of the Space, the Lessor shall issue written notice to the Government to schedule the inspection of the Space for acceptance. The Government shall accept the Space only if the construction of Building shell and TIs conforming to this Lease and the approved DIDs is substantially complete, a Certificate of Occupancy (C of O) has been issued as set forth below, and the Building improvements necessary for acceptance as described in the paragraph "Building Improvements" are completed.

B. The Space shall be considered substantially complete only if the Space may be used for its intended purpose, and completion of remaining work will not interfere unreasonably with the Government's enjoyment of the Space. Acceptance shall be final and binding upon the Government with respect to conformance of the completed TIs to the approved DIDs, with the exception of items identified on a punch list generated as a result of the inspection, concealed conditions, latent defects, or fraud, but shall not relieve the Lessor of any other Lease requirements.

C. The Lessor shall provide a valid C of O, issued by the local jurisdiction, for the intended use of the Government. If the local jurisdiction does not issue C of O's or if the C of O is not available, the Lessor may satisfy this condition by providing a report from a licensed fire protection engineer indicating the Space and Building are compliant with all fire protection and life safety-related requirements of this Lease.

D. The Government will not be required to accept space prior to the schedule outlined in this Lease.

4.10 Lease Term Commencement Date and Rent Reconciliation (JUN 2012)

At acceptance, the Space shall be measured in accordance with the standards set forth in this Lease to determine the total ABOA SF in the Space. The rent for the Space will be adjusted based upon the measured ABOA square footage as outlined under the Payment clause of the General Clauses. At acceptance, the Lease term shall commence. The Lease Term Commencement Date, final measurement of the Premises, reconciliation of the annual rent, and amount of Commission Credit, if any, shall be memorialized by Lease Amendment.

4.11 As-Built Drawings (JUN 2012)

Not later than 10 days after the acceptance of the Space, the Lessor, at Lessor's expense, shall furnish to the Government a complete set of Computer Aided Design (CAD) files of as-built floor plans showing the Space under Lease, as well as corridors, stairways, and core areas. The plans shall have been generated by a CAD program which is compatible with the latest release of AutoCAD. The required file extension is ".DWG." Clean and purged files shall be submitted on CD-ROM. They shall be labeled with Building name, address, list of drawing(s), date of the drawing(s), and Lessor's architect and architect's phone number. The Lessor's operator shall demonstrate the submission on GSA equipment, if requested by the LCO.

4.12 Lessor's Project Management Fee (SEP 2013)

A. The Lessor's project management fee shall cover all of the Lessor's project management costs associated with the delivery of Tenant Improvements, including, but not limited to:

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