

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE LEASE AMENDMENT	LEASE AMENDMENT No. 5 TO LEASE NO. GS-08P-LMT14833
ADDRESS OF PREMISES William J. Jameson Building 2900 4 th Avenue North Billings, MT 59101	PDN Number: PS0036730

THIS AMENDMENT is made and entered into between **Billings Federal Office Building Limited Partnership**

whose address is: 971 Sibley Memorial Hwy, Suite 300, Lilydale, NM 55118

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:

1. To accept the Tenant Improvements as substantially complete;
2. To establish the Commencement Date and re-state the expiration of the firm term of the Lease;
3. To confirm the final square footage leased and confirm the Common Area Factor;
4. To revise the rental table to reflect the final square footage leased in this section for the term beginning October 1, 2017;
5. To confirm the broker commission and commission credit;
6. To establish the termination rights for the Lease;
7. To confirm the total tenant improvements for the Lease;
8. To confirm the percentage of occupancy;
9. To confirm the real estate tax base;
10. To confirm the operating cost base;
11. To revise the square footage of Suite 201;
12. To memorialize the short term expansion of Suite 205 and confirm the rental rate per rentable square foot;
13. To confirm the completion date of additional improvement outlined in Section 7.02, paragraphs C and E of the Lease;
14. To confirm Lessor's responsibility regarding the supplemental LAN room HVAC units included in the individual Government suites;
15. To confirm the requirement and potential removal of the Building lobby security;
16. To confirm the maintenance of the newly installed reception/waiting area flooring in Suite 304;
17. Amend Exhibit E to delete the requirement for Shatter-Resistant Window Protection; and
18. All other terms and conditions shall remain in full force and effect.

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. The Tenant Improvements have been substantially completed and the Government accepts the leased Premises on October 1, 2017.

This Lease Amendment contains 4 pages plus Exhibit A (5 pages) and Exhibit B (1 page).

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:

Title:

Entity Name:

Date:


Anthony J. Swenson
Owner
Billings Fed Office Bldg L.P.
10/12/17


FOR THE GOVERNMENT:

Signature:

Name:

Title:

Date:


Darrin Hotaling
Lease Contracting Officer
GSA, Public Buildings Service,
10/12/17


WITNESSED FOR THE LESSOR BY:

Signature:

Name:

Title:

Date:


Anthony J. Swenson
Property Manager
10/12/17

2. The Commencement Date of the Lease shall be October 1, 2017 and shall expire on September 30, 2037, subject to the termination rights set forth in the Lease. The firm term of the Lease expires on September 30, 2032.

3. Paragraph 1.01 of the Lease shall be deleted in its entirety and replaced with the following:

"1.01 THE PREMISES (JUN 2012)

The Premises are described as follows:

A. Office and Related Space: **84,201** rentable square feet (RSF), yielding **67,417** ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related Space located on the **1st, 2nd, 3rd, 5th, and 6th** floor(s) including the Suites listed below within the Building, and as depicted on the floor plan(s) attached hereto as Exhibit A.

Suite	Agency	ABOA SF
PBX Cage		116
101		1,009
104		201
105		632
107		271
200		3,366
201		588
202		1,892
203 & 204		3,238
205		2,041
300		983
301		1,772
302B		400
302		750
303		3,876
304		8,202
500		9,374
501		9,652
600		19,054
TOTAL		67,417

B. Common Area Factor: The Common Area Factor (CAF) is established as **24.8957978** percent. This factor, which represents the conversion from ABOA to rentable square feet, rounded to the nearest whole percentage, shall be used for purposes of rental adjustments in accordance with the Payment Clause of the General Clauses.

4. Paragraph 1.03 A and B of the Lease shall be deleted in its entirety and replaced with the following:

"1.03 RENT AND OTHER CONSIDERATIONS (SEP 2013)

Continued on Page 3

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

	FIRM TERM OCTOBER 1, 2017 – SEPTEMBER 30, 2032	NON FIRM TERM OCTOBER 1, 2032 – SEPTEMBER 30, 2037
	ANNUAL RENT	ANNUAL RENT
SHELL RENT ¹	\$1,417,102.83	\$1,461,729.36
TENANT IMPROVEMENTS RENT ²	\$28,131.03	\$0.00
OPERATING COSTS ³	\$517,836.15	\$517,836.15
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ⁴	\$0.00	\$0.00
PARKING ⁵	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$1,963,070.01	\$1,979,565.51

¹Shell rent calculation:

(Firm Term) \$16.83 per RSF multiplied by 84,201 RSF

(Non Firm Term) \$17.36 per RSF multiplied by 84,201 RSF

²The Tenant Improvement Allowance of \$421,965.51 is amortized at a rate of 0.0 percent per annum over 15 years.

³Operating Costs rent calculation: \$6.15 per RSF multiplied by 84,201 RSF

⁴Building Specific Amortized Capital (BSAC) of \$0.00 are amortized at a rate of 0.0 percent per annum over 15 years

⁵Parking costs described under sub-paragraph H below

In instances where the Lessor amortizes either the TI or BSAC for a period exceeding the Firm Term of the Lease, should the Government terminate the Lease after the Firm Term or does not otherwise renew or extend the term beyond the Firm Term, the Government shall not be liable for any costs, including unamortized costs beyond the Firm Term.

- B. Rent is subject to adjustment based upon a mutual on-site measurement of the Space upon acceptance, not to exceed 67,417 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517. The suites as listed herein are not subject to remeasurement."

5. Paragraph 1.04 of the Lease shall be deleted in its entirety and replaced with the following:

"1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)

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 full 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 FULL month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 FULL Rental Payment \$163,589.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st FULL Month's Rent.*

Month 2 FULL Rental Payment \$163,589.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd FULL Month's Rent.*

Month 3 FULL Rental Payment \$163,589.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd FULL Month's Rent.*

Month 4 FULL Rental Payment \$163,589.17 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4th FULL Month's Rent.*

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

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6. Paragraph 1.05 of the Lease is hereby deleted in its entirety and replaced with the following:

"1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, by providing not less than 60 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. The Government may partially terminate this lease, in regards solely to the space labeled Suite 205 from the lease outlined in paragraph 12 of this Lease Amendment at any time between September 30, 2020 and September 30, 2021 by providing not less than 60 days prior written notice to the Lessor. Effective October 1, 2021 the partial termination right, with regards to Suite 205 as described in paragraph 12 below will be considered expired and no longer valid."

7. Paragraph 1.08 of the Lease is hereby deleted in its entirety and replace with the following:

"1.08 TENANT IMPROVEMENT ALLOWANCE (AUG 2011)

The Tenant Improvement Allowance (TIA) for purposes of this Lease is **\$421,965.51**. The TIA is the amount that the Lessor shall make available for the Government to be used for TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 0.0 percent. The TIA shall be allocated as follows: Suite 304 – SSA: \$337,358.10 and Suite 303 – OSHA: \$84,607.41."

8. Paragraph 1.13 of the Lease is hereby deleted in its entirety and replaced with the following:

"1.13 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (JUN 2012)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" paragraph of this Lease is **68.846789** percent. The Percentage of Occupancy is derived by dividing the total Government Space of **84,201** RSF by the total Building space of **122,302** RSF."

9. Paragraph 1.14 of the Lease is hereby deleted in its entirety and replaced with the following:

"1.14 REAL ESTATE TAX BASE (SEP 2013)

The Real Estate Tax Base for the entire building, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is **\$202,814.30**. An amount of **\$139,631.13 / year (\$202,814.30 X 68.846789%)** is included in the annual rent for taxes. Tax adjustments shall not occur until the tax year following Lease Commencement has passed."

10. Paragraph 1.15 of the Lease is hereby deleted in its entirety and replaced with the following:

"1.15 OPERATING COST BASE (SEP 2013)

The parties agree, for the purpose of applying the paragraph titled "Operating Costs Adjustment," that the Lessor's base rate for operating costs shall be **\$6.15** per RSF (**\$517,836.15** per annum)."

11. The Lessor and the Government acknowledge the square footage adjustment to Suite 201 from 620 ABOA SF to 588 ABOA SF.
12. The Lessor and the Government acknowledge the addition of Suite 205 to be included in the Premises. The square footage leased is established as **2,549** rentable square feet, yielding **2,041** ABOA SF and is included in the total ABOA SF of **67,417**. The rental rate for Suite 205 shall be Shell Rent (\$16.83 per RSF) and Operating Expenses (\$6.15 per RSF) only. The location of Suite 205 is outlined in the attached Exhibit B.
13. The Lessor and the Government acknowledge the Additional Improvements and Building Shell obligations specifically outlined in Section 7.02, paragraphs C and E, are currently underway, but not complete. The Additional Improvements shall be completed on or before February 28, 2018 with the exception of the 4th paragraph within paragraph E which is deleted in its entirety. This paragraph refers to the replacement of the supplemental LAN room HVAC units.
14. The Lessor, as part of the Building Shell obligation, throughout the term of the Lease shall be responsible for the repair, maintenance and replacement of all of the supplemental LAN room units as depicted in Exhibit F in the suites to be occupied by the Government. In the event a unit requires replacement, the Lessor shall replace it, at Lessor's sole cost, with a new unit of the same size. This includes the supplemental HVAC unit included in Suite 304 – SSA.
15. Notwithstanding anything in the Lease to the contrary, the Government's existing security equipment in the main lobby of the Building can remain in place until midnight on February 28, 2018. However, if the Government has not leased 100% of all of the space in the Building on the 2nd, 3rd, 4th, 5th and 6th floors (collectively "Upper Floors") by no later than midnight on February 28, 2018, on March 1, 2018 all of the Government's security equipment and personnel shall have been removed from the main

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lobby of the Building pursuant to Section 7.02(B) of the Lease. If at any time during the term of the Lease, the Government contracts, by partial termination or otherwise, such that it leases less than 100% of the Upper Floors, the Government shall first remove all of its security equipment and personnel from the main lobby. If at any time during the term of the Lease, the Government expands such that it leases 100% of the Upper Floors, the Government shall have the right to have security in the main lobby. However, in all cases, if the Government has security in the main lobby of the building, the location and layout of the security shall allow future third party tenants of, and visitors to, Suite 100 to have free, unscreened, unrestricted and unencumbered access to Suite 100. The Government shall have no right to restrict or screen tenants and visitors to Suite 100.

16. The Lessor agrees to maintain the newly installed reception/waiting area floor in Suite 304 in accordance with the current Janitorial specifications included in the Lease. In the event the flooring cannot be maintained based on the specifications in the Lease, the Government shall have the option, but not the obligation, to arrange for the flooring to be routinely cleaned and maintained by a third-party or replace the flooring at the Government's expense. There shall be no reduction in rental if the Government has the floor cleaned and maintained by a third-party. The Lessor shall not be responsible for the cost of repair or replacement of the flooring.
17. Exhibit E of the Lease is amended to delete the requirement for [REDACTED] on the exterior windows of the building. The rent table has been amended to remove the annual charge for BSAC.
18. All other terms and conditions of shall remain in full force and effect.

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