

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE	LEASE AMENDMENT No. 2
	TO LEASE NO. GS-07P-LTX17520
LEASE AMENDMENT	
ADDRESS OF PREMISES 8989 Lakes at 610 Houston, TX 77054	PDN Number: N/A

THIS AMENDMENT is made and entered into between Seven Properties, LLP

whose address is: 4808 Jefferson NE
Albuquerque, NM 87109

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

This Lease Amendment contains 3 pages, plus Exhibit A (1 page) and Exhibit B (4 pages).

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

FOR THE LESSOR:
SEVEN PROPERTIES, LLP

Signature: _____
Name: LARS J. SEGO
Title: SPM
Entity Name: SEVEN PROPERTIES LLP
Date: 11-14-17

FOR THE GOVERNMENT:

Signature: _____
Name: Kristine Dalton
Title: Lease Contracting Officer
GSA, Public Buildings Service
Date: 11/22/17

WITNESSED FOR THE LESSOR BY:

Signature: _____
Name: Rachel Colbert
Title: Administrative Assistant
Date: November 14, 2017

1. The Government approves the following agency requested change orders:

- Additional Floor prep for Agency specified rubber flooring
- After hours inspections
- Occupancy Sensors
- Test and Balance Report
- Room Signage
- Total ADDS

- A&E Fees (5.0%)
- Lessor's Cost
- Lessor's PM Fee (9.0%)



TOTAL ADDITIONAL CHANGES

\$35,447.02

The proposed price changes for the noted change orders has been deemed fair and reasonable by the Government.

2. The Government and the Lessor have agreed that the total cost of the TI's shall change from **\$637,111.41** to **\$672,558.43** [**\$637,111.41 + \$35,447.02**]. The revised total cost of the Tenant Improvements (TIs) and the Government approved change orders is **\$672,558.43** as shown in Exhibit A and includes all fees including but not limited to Architect / Engineering and Lessor's Project Management Fees, general and administrative costs, profit, overhead, and any all other fees associated with the completion of the TI's. If the TI allowance in the Lease remains more than the revised total TI cost, plus any subsequent change orders (if needed), the rental rate will be adjusted downward in accordance with other provisions of the Lease.
3. The Tenant Improvements (TIs) have been substantially completed and the Government accepts the leased space on November 9, 2017. 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 B, have not been met and these items are deficiencies. The Lessor is required to cure these deficiencies by December 8, 2017. Within 7 days of the completion date for the Lessor to cure the deficiencies in Exhibit B 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.
4. The Commencement Date of the rental shall be November 9, 2017, and shall expire on November 8, 2032, subject to the termination rights set forth herein.
5. The Government may terminate this Lease, in whole or in part, at any time effective after the Firm Term of this Lease, November 8, 2027, 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.
6. The total square footages of the leased premise is established as 19,864 rentable square feet (RSF), yielding 18,797 ANSI/BOMA Office Area (ABOA) square feet (SF) of office and related space located on the first floor of the Building.
7. The Common Area Factor is established as 5.6764% (19,864 RSF/18,797 ABOA).
8. The Government shall pay the Lessor annual rent, payable in monthly installments in arrears as follows:

Rent Table on the following page

INITIALS:


LESSOR

&


GOVT

	FIRM TERM YEARS 1 - 5	FIRM TERM YEARS 6 - 10	NON FIRM TERM YEARS 11 - 15
	ANNUAL RENT	ANNUAL RENT	ANNUAL RENT
SHELL RENT	\$419,122.16	\$433,379.41	\$411,259.54
TENANT IMPROVEMENTS RENT ¹	\$ 90,617.91	\$ 90,617.91	\$0.00
OPERATING COSTS	\$ 111,187.86	\$ 111,187.86	\$ 111,187.86
BUILDING SPECIFIC AMORTIZED CAPITAL (BSAC) ²	\$ 2,021.04	\$ 2,021.04	\$0.00
PARKING	\$ 0.00	\$ 0.00	\$ 0.00
TOTAL ANNUAL RENT	\$622,948.97	\$637,206.22	\$522,447.40

¹The Tenant Improvement Allowance of \$672,558.43 is amortized at a rate of 6.25 percent per annum over 10 years.
²Building Specific Amortized Capital (BSAC) of \$15,000.00 are amortized at a rate of 6.25 percent per annum over 10 years

9. The Government and the Lessor have agreed that the total cost of the TI's is \$672,558.43. The Government shall pay for the total TI cost by amortizing \$672,558.43 over the first ten (10) years of the term, monthly in arrears, at an interest rate of 6.25%.
10. The percentage of occupancy for Real Estate Tax purposes is established as 100% [19,864 RSF / 19,864 RSF X 100].
11. For the purposes of Operating Cost adjustments as provided in the lease agreement, the Lessor's base rate shall be \$5.5974557 per RSF (\$111,187.86/annum) and the base year shall be established at year 2017.
12. The number of parking spaces assigned to this lease shall be 134 total surface/outside parking spaces, 67 of which are reserved for the exclusive use of the Government.
13. 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 full month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

Month 1 Rental Payment \$51,912.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.*

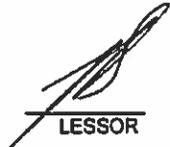
Month 2 Rental Payment \$51,912.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.*

Month 3 Rental Payment \$51,912.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.*

Month 4 Rental Payment \$51,912.41 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4th Month's Rent.*

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

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

INITIALS:  LESSOR &  GOVT