

<b>GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE</b>  <b>LEASE AMENDMENT</b>	LEASE AMENDMENT No. 2
	TO LEASE NO. GS-10B-07380
ADDRESS OF PREMISES: 100 First Street Friday Harbor, WA 98250	PDN Number: PS0029299

**THIS AGREEMENT**, made and entered into this date by and between Friday Harbor Center, INC.

whose address is: 124 Blackberry Lane, Friday Harbor, WA 98250-8220

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 restate Tenant Improvement (TI) allowance, revise the TI fee schedule, issue a partial Notice to Proceed for TIs, provide lump sum payment invoicing instructions, and outline change order procedures.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon execution of this amendment by the Government, as follows: Paragraphs 1.08 and 1.10 are hereby deleted in their entirety and replaced below and Paragraphs 7.04, 7.05, and 7.06 are hereby added to the Lease.



**1.08 TENANT IMPROVEMENT ALLOWANCE**

The Tenant Improvement Allowance for the purposes of this Lease is \$222,437.53. The TIA shall be made available by the Lessor for the Government to use toward TIs. This amount is amortized in the rent over the Firm Term of this Lease at an annual interest rate of 8.0%. The Government shall have the right to make lump sum payments for any or all TI work.


This Lease Amendment contains three (3) pages plus Exhibits A and B (1 page each).

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

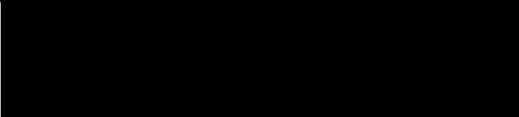

**FOR THE LESSOR:**

Signature:   
 Name:   
 Title: Owner/President FHC Inc  
 Entity Name: Friday Harbor Center Inc  
 Date: 7/7/14

**FOR THE GOVERNMENT:**

Signature:   
 Name: ANDSEY D. SNOW  
 Title: CONTRACTING OFFICER  
 Lease Contracting Officer  
 GSA, Public Buildings Service,  
 Date: JUL 1 2014

**WITNESS FOR THE LESSOR:**

Signature:   
 Name:   
 Title: \_\_\_\_\_  
 Date: 7-7-14

**1.10 TENANT IMPROVEMENT FEE SCHEDULE (JUN 2012)**

For pricing TI costs, the following rates shall apply for the initial build-out of the Space:

	INITIAL BUILD-OUT
Architect/Engineer Fees ( % of TI Construction Costs)	6.0%
Lessor's Project Management Fee (% of TI Construction Costs)	3.0%

- 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:
  - 1. Legal fees
  - 2. Travel costs
  - 3. Insurance
  - 4. Home office overhead and other indirect costs
  - 5. Carrying costs, exclusive of the TI amortization rate. Carrying costs are those costs of capital incurred for the delivery of TI, for the period starting from Lessor's outlay of funds, until the Lease Term Commencement Date.
  - 6. Municipal, county, or state fees (not related to sales tax)
  - 7. TI proposal preparation costs
  - 8. Lessor's labor costs related to the management of the TI build-out.
  
- B. At a minimum, the Lessor shall be responsible for performing the following services in order to receive the project management fee:
  - 1. Provide assistance and expertise to the Government project team in the form of coordination, management, and administration of the design and construction process;
  - 2. Monitor performance of the general contractor and other contractors, control schedules, and oversee financial accounts;
  - 3. Conduct and document design and construction project meetings;
  - 4. Perform administrative tasks, including documentation, record keeping (issuing meeting minutes), and payment validation in addition to submittal and change order processing;
  - 5. Maintain Request for Information (RFI), submittal, and change order logs; and
  - 6. Provide technical expertise (e.g. testing, estimating, resolving claims, or responding to inquiries).

**7.04 NOTICE TO PROCEED FOR TI COSTS OVER THE TENANT IMPROVEMENT ALLOWANCE**

A. The total Tenant Improvement Allowance (TIA) of \$222,437.53 is set forth in Paragraph 1.08, above. The Government has reviewed the Lessor's pricing for TI costs and determined a portion of it to be fair and reasonable. The Government hereby approves TI work not to exceed \$696,928<sup>1</sup>, as outlined on Exhibit A, attached hereto (1 page). Said pricing includes all costs for labor, materials, fees, overhead, profit, and any other costs required to complete the approved work. The approved pricing exceeds the TIA by \$474,490<sup>1</sup> (TI Overage). The approved TI Overage will be paid per the instructions outlined in Paragraph 7.05, below. This lease amendment serves as Notice to Proceed (NTP) for those TIs depicted in Exhibit A.

<sup>1</sup> Figures are rounded to the nearest dollar

B. The Government does NOT approve costs associated with the items outlined on Exhibit B, attached hereto (1 page). Following the issuance of this partial NTP, the Government and Lessor will continue to revise the scope and costs for the items outlined on Exhibit B in order to arrive at fair and reasonable pricing so that the Government may issue a NTP for those items. The Lessor shall not undertake any work in excess of the amount authorized in this NTP without written approval from the GSA Contracting Officer via a subsequent Lease Amendment.

INITIALS: CB LESSOR & RS GOVT