



Supplemental Lease Agreement Number 1																																							
Lease Number:	GS-09B-002597	Date:	AUGUST 1, 2011																																				
2971 Willow Creek Road, Prescott, AZ 86301-4142																																							
<p>THIS AGREEMENT, made and entered into this date by and between <b>Smoketree Properties, LLC</b></p> <p>whose address is: 1076 Spire Drive, Prescott, AZ 86305-3728</p> <p>hereinafter called the Lessor, and the <b>UNITED STATES OF AMERICA</b>, hereinafter called the Government.</p> <p><b>WHEREAS</b>, the parties hereto desire to amend the above lease to issue a Notice to Proceed; incorporate and order Tenant Improvements which exceed the tenant improvement allowance, and provide for Lump Sum Payment of the tenant improvement costs which exceed the tenant improvement allowance.</p> <p><b>THEREFORE</b>, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended as follows:</p> <p><b>Paragraph 10 is hereby deleted and replaced as follows and Paragraphs 24, 25, and 26 are hereby added:</b></p> <p>"10. The Government shall pay the Lessor annual rent as follows, in arrears. Rent for a lesser period shall be prorated.</p> <table border="1" style="width: 100%; border-collapse: collapse; margin: 10px 0;"><thead><tr><th>Period</th><th>Shell Rental Rate/RSF</th><th>Operating Expenses/RSF</th><th>Tenant Improvement/RSF</th><th>Total Rate/RSF</th><th>Annual Rent/RSF</th></tr></thead><tbody><tr><td>Year 1-2</td><td>\$14.86</td><td>\$5.98</td><td>\$9.55</td><td>\$30.39</td><td>\$191,213.88</td></tr><tr><td>Year 3-4</td><td>\$18.08</td><td>\$5.98</td><td>\$9.55</td><td>\$33.61</td><td>\$211,474.12</td></tr><tr><td>Year 5</td><td>\$22.10</td><td>\$5.98</td><td>\$9.55</td><td>\$37.63</td><td>\$236,767.96</td></tr><tr><td>Year 6-7</td><td>\$20.11</td><td>\$5.98</td><td>\$0.00</td><td>\$26.09</td><td>\$164,158.28</td></tr><tr><td>Year 8-10</td><td>\$21.72</td><td>\$5.98</td><td>\$0.00</td><td>\$27.70</td><td>\$174,288.40</td></tr></tbody></table> <p>"24. NOTICE TO PROCEED Following a Government review of the submitted cost proposal, the Government has determined that the bid submitted is fair and reasonable and a Notice to Proceed is hereby issued for the construction of Tenant Improvements, as identified herein, at a total cost not to exceed \$342,590.00, inclusive of all management and architectural fees."</p> <p>"25. The total cost for Tenant Improvements in the amount of \$342,590.00 exceeds the tenant improvement allowance of \$249,855.64, which has been amortized into the rental rate. The Government hereby orders the excess balance in the amount of \$92,734.36. The Lessor shall construct all Tenant Improvements in accordance with Paragraph 3.2A of the Solicitation for Offers, incorporated and made a part of the lease, and all terms and conditions of the lease package. Upon completion, inspection, and acceptance of the space, the Government shall reimburse the Lessor in a lump sum payment in the amount of \$92,734.36 pursuant to Paragraph 30, herein. The Lessor hereby waives restoration as a result of all improvements."</p> <p style="text-align: center;">Continued on Sheet 1</p>				Period	Shell Rental Rate/RSF	Operating Expenses/RSF	Tenant Improvement/RSF	Total Rate/RSF	Annual Rent/RSF	Year 1-2	\$14.86	\$5.98	\$9.55	\$30.39	\$191,213.88	Year 3-4	\$18.08	\$5.98	\$9.55	\$33.61	\$211,474.12	Year 5	\$22.10	\$5.98	\$9.55	\$37.63	\$236,767.96	Year 6-7	\$20.11	\$5.98	\$0.00	\$26.09	\$164,158.28	Year 8-10	\$21.72	\$5.98	\$0.00	\$27.70	\$174,288.40
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IN WITNESS WHEREOF, the parties subscribed their names as of the above date.

Lessor, **SmokeTree Properties, LLC**

By

(Signature)

(Title)

In Presence of

(Signature)

(Address)

United States Of America, General Services Administration, Public Buildings Service

*Peter Shteyn*  
for

Peter Shteyn

CONTRACTING OFFICER

(Official Title)

**SHEET NO. 1 IS ATTACHED HERETO AND MADE PART OF SUPPLEMENTAL LEASE AGREEMENT (SLA) NO. 1 TO LEASE #GS-09B-02597**

"26. Upon completion and acceptance of Tenant Improvements identified herein, the Lessor shall submit for Lump Sum payment, an original and one copy of the invoice. The Original Invoice, in the amount **not to exceed \$92,734.36** shall be submitted to:

GSA, Greater Southwest Finance Center (7BCP)  
PO BOX 17181  
Fort Worth, TX 76102

Alternatively the Lessor may submit the Invoice electronically, via the GSA Finance website at [www.finance.gsa.gov](http://www.finance.gsa.gov)

A copy of the Invoice shall be simultaneously submitted to the Contracting Officer's designated representative at

GSA, Real Estate Division - San Francisco  
Attention: Peter Shteyn  
450 Golden Gate Avenue, 3<sup>rd</sup> Floor East  
San Francisco, CA 94102

A proper invoice must include the following:

- Invoice date
- Name of the Lessor exactly as shown on the Lease
- Lease contract number, building address, and a description, price and quantity of the items delivered
- Annotation of GSA PS Number (will be sent after Government executes this Supplemental Lease Agreement)

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it."

All other terms and conditions of the Lease shall remain in force and effect.