

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
No. 2

DATE

12/8/10

TO LEASE NO GS-09B-02343

ADDRESS OF PREMISES: [REDACTED] Building, Sells Airport Road, Sells, Arizona 85634-0910

THIS AGREEMENT, made and entered into this date by and between **INDIANOLA PARTNERS**

whose address is: 4700 North Central Avenue, Suite 201
Phoenix, AZ 85012

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 for Block A and provide Lump Sum Payment Procedures for partial payment of tenant improvement costs.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective **November 22, 2010**, as follows:

Paragraphs 1, 9, 10, 23, 24 and 25 are deleted in their entirety and replaced as follows:

1. The Lessor hereby leases to the Government the following described premises:

BLOCK A: 10,370 rentable square feet (r.s.f.) yielding approximately 10,370 ANSI/BOMA Office Area square feet and related space located at the [REDACTED] Building, Sells Airport Road, Sells, Arizona 85634-0910, together with 55 onsite parking spaces; 7 unsecured surface public spaces, 8 secured surface spaces, 30 secured covered spaces, and 10 secured covered oversize highbay spaces, as depicted on the attached Site Plan (Exhibit A) (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

BLOCK B: 6,331 rentable square feet (r.s.f.) yielding approximately 6,331 ANSI/BOMA Office Area square feet and related space located at the [REDACTED] Building, Sells Airport Road, Sells, Arizona 85634-0910. Beneficial Occupancy for Block B will occur upon inspection and acceptance of the tenant improvements and will be documented in a subsequent Supplemental Lease Agreement.

9. TO HAVE AND TO HOLD the Premises with their appurtenances for the term:

BLOCK A: November 22, 2010 through November 21, 2025 in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.

BLOCK B: Term beginning on the day the space is accepted by the Government as complete and ready for occupancy through November 21, 2025 in accordance with the Paragraph entitled "Inspection of Premises" herein, subject to termination rights as may be hereinafter set forth.

~CONTINUED ON PAGE 2 OF 2~

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names as of the date first above written.

LESSOR: INDIANOLA PARTNERS

BY

IN PRESENCE OF:

UNITED STATES OF AMERICA

BY

GENERAL SERVICES ADMINISTRATION, Public Buildings Service

Contracting Officer

10. The Government shall pay the Lessor annual rent as follows:

BLOCK A: For months 1 through 3, annual rent of \$466,650.00, at a rate of \$38,887.50 per month in arrears, shall be reduced by the Commission Credit stated in Paragraph 23 herein.

For months 4 through 180, annual rent of \$466,650.00, at a rate of \$38,887.50 per month in arrears.

BLOCK B: Upon inspection and acceptance of the tenant improvements, annual rent of \$284,895.00 at the rate of \$23,741.25 per month in arrears.

23. Commission and Commission Credit:

The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission for Block A **AND** Block B is [REDACTED] and shall be paid upon beneficial occupancy of Block A. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" paragraph, the Broker has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to and forming a part of this lease.

Notwithstanding Paragraph 10 of this Supplemental Lease Agreement, the shell rental payments due and owing under this lease shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

- First Month's Rental Payment \$38,887.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent.
- Second Month's Rental Payment \$38,887.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent.
- Third Month's Rental Payment \$38,887.50 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

24. This SLA records the Notice to Proceed with Tenant Improvements effective upon execution by the Government. Lessor agrees to complete Tenant Improvements in accordance with all terms and conditions of the Lease and Government reviewed Construction Documents for a total cost of **\$1,317,835.00**. \$625,531.94 (\$37.46(rounded)/ABOA) is amortized in the rent as stated in Lease paragraph 16 at a rate of 8% over the 120 month firm term of the Lease. The Government shall make two (2) lump sum payments for the remaining \$692,303.06 of Tenant Improvement costs per Lease paragraph 25. The payments shall be paid as follows:

Block A: \$449,996.99 (calculation is: \$692,303.06 X 65%)

Block B: Upon beneficial occupancy payment shall be: \$242,306.07 (calculation is: \$692,303.06 X 35%)

No additional payments for Tenant Improvements shall be paid unless it is a Change Order approved by the Contracting Officer with a Supplemental Lease Agreement.

25. Upon the Government's execution of this Supplemental Lease Agreement Number 2, the Lessor shall submit for Lump Sum Payment, one original and one copy of the invoice for the Lump Sum Payment for Block A in the amount of \$449,996.99.

Lessor shall contact the GSA Contracting Officer for the "PS Number," which must be annotated on the invoice. The original invoice for Block A, in an amount not to exceed \$449,996.99 shall be submitted via the GSA Finance website at www.finance.gsa.gov.

Upon completion and acceptance of Block B, the Lessor shall submit for Lump Sum Payment, one original and one copy of the invoice for the Lump Sum Payment for Block B in the amount of \$242,306.07.

Lessor shall contact the GSA Contracting Officer for the "PS Number," which must be annotated on the invoice. The original invoice for Block B, in an amount not to exceed \$242,306.07 shall be submitted via the GSA Finance website at www.finance.gsa.gov.

A copy of the invoice shall be simultaneously submitted to GSA at:

GSA, Real Estate Acquisition Division
401 West Washington St., Suite 170, SPC 25
Phoenix, AZ 85003

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

Lessor  Govt 