

**GENERAL SERVICES
ADMINISTRATION**
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

**SUPPLEMENTAL
AGREEMENT
No. 3**

DATE

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4/23/2012

TO LEASE NO GS-09B-02572

ADDRESS OF PREMISES: 2255 West Ina Road, Tucson, AZ 85741-2650

THIS AGREEMENT, made and entered into this date by and between **Sierra Bravo Properties, LLC, an Arizona Limited Liability Company**

whose address is: 6341 W. Trails End Road
Tucson, AZ 85745-9636

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 release the Government from its obligation to lease the 2nd floor space in exchange for eliminating the termination rights in the lease, amend the leased premises, adjust the annual rent, change the TI completion date, correct the tax adjustment paragraph, amend the commission and commission credit paragraph and amend the notice to proceed paragraph.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective upon execution by the Government, as follows:

Paragraphs 1, 2, 3, 11, 12, 17, 25 and 28 are deleted and replaced as follows: Lease Exhibit "A" is deleted and replaced with the Lease Exhibit "A" attached hereto. Lease Exhibit "B" is deleted.

"1. The Lessor hereby leases to the Government the following described premises: 15,922 rentable square feet (r.s.f.), yielding approximately 14,475 ANSI/BOMA Office Area square feet and related space located on the Third Floor at the Office at Sierra Bravo, 2255 W. Ina Road, Tucson, AZ 85741-2650, together with thirty-nine (39) onsite, secured, covered and reserved parking spaces, as depicted on the attached Exhibit A (the "Premises"), to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION."

"2. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following ten (10) years.

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

Years	Shell Rate (\$/RSF/Yr)	Annual Base Year Service Costs (\$/RSF/Yr)	Annual Amortized T.I.'s (\$/RSF/Yr)	Annual Total Rent (\$/RSF/Yr)	Total Monthly Rent	Total Annual Rent
1-5	\$20.001789	\$3.980000	\$3.909170	\$27.890959	\$ 37,006.65	\$ 444,079.84
6-10	\$25.110830	\$3.980000	\$3.909170	\$33.000000	\$ 43,785.50	\$ 525,426.00

The Government shall pay rent monthly, in arrears. Rent for a lesser period will be prorated. The cost for the 39 parking spaces referenced in Paragraph 1 of the lease are included in the Shell Rent.

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

LESSOR: Sierra Bravo Properties, LLC, an Arizona Limited Liability Company

BY [Signature] (Signature)

IN PRESENCE OF: [Signature] (Signature)

OFFICIAL SEAL: [Signature] (Print Name and Official title)
ANA M. RUIZ (Print Name and Official title)
 NOTARY PUBLIC-ARIZONA
 PIMA COUNTY, AZ
 My Comm. Exp. Oct. 17, 2015

UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service

BY [Signature] (Signature) Contracting Officer (Official title)

"11. The Lessor shall have until June 11, 2012 to complete the build-out of the entire space. All items specified in the Lease Agreement and as delineated on the Government Approved Design Intent Drawings shall be provided by the Lessor.

"12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2 of SFO Number 8AZ2128, "Tax Adjustment," for purposes of tax escalation, the Government occupies 15,922 / 46,094 rentable square feet (34.54%)."

"17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2 of SFO Number 8AZ2128, "Tenant Improvements Included in Offer." The Tenant Improvement Allowance shall be amortized over the ten (10) year term of the lease agreement at an interest rate (amortization rate) of 7.0% per year.

"25. **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. In consideration for releasing the Government from its current obligation to lease space on the 2nd floor (4,040 rsf), the Government has agreed to take an additional five years of firm term on the 3rd floor (15,922 rsf). The Government shall receive a Commission Credit for the original five year term on the third floor space. The Government's commission credit is determined to be [REDACTED], which is [REDACTED] of the commission due to the Broker for the first five years of the lease. The Brokers commission payment shall be [REDACTED], which is [REDACTED] of the commission due in accordance with the NBC Broker Contract.

Notwithstanding Paragraph 3 of this Standard Form 2, 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 \$37,006.65 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent

Second Month's Rental Payment \$37,006.65 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent

Third Month's Rental Payment \$37,006.65 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent."

"28. This SLA records the Notice to Proceed with Tenant Improvements for the Third (3rd) floor only of the approved drawings dated August 30, 2011. The cost identified herein is for the tenant improvement costs for the Third (3rd) floor only, consisting of 15,922 RSF/14,475 ANSI/BOMA square feet. Lessor agrees to complete Tenant Improvements for the third (3rd) floor only, in accordance with all terms and conditions of the Lease and Government reviewed Construction Documents for a total cost of \$861,055.00. \$446,721.66 (\$30.8616/ABOA) is amortized in the rent as stated in lease paragraph 17 at a rate of 7.0% over the term of the Lease. The Government shall make a lump sum payment for the remaining \$414,333.34 of Tenant Improvement costs per Lease paragraph 29. No additional payments for Tenant Improvements shall be paid unless it is a Change Order approved by the Contracting Officer with a Supplement Lease Agreement."

Paragraphs 4 and 27 are hereby deleted in their entirety.

"4. PARAGRAPH 4 OF THIS LEASE IS INTENTIONALLY OMITTED."

"27. PARAGRAPH 27 OF THIS LEASE IS INTENTIONALLY OMITTED."

Initials: W (Lessor) EH (Gov't)