

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
No. 1

DATE

12/13/2010

TO LEASE NO GS-09B-02614

ADDRESS OF PREMISES: 354 South Hwy 92, Sierra Vista, AZ 85635-3645

THIS AGREEMENT, made and entered into this date by and between **HIGH RANGE SV1, LLC**

whose address is: 4300 N. Miller Road, Suite 153
Scottsdale, AZ 85251-3619

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 modify the ABOA-SF and RSF to reflect recent space measurement and to modify the rent components, maximum tenant improvement allowance, commission, and commission credit accordingly.

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

Paragraphs 1, 10, 12, 13, 14, 17 and 25 are deleted in their entirety and replaced with the following:

*1. The Lessor hereby leases to the Government the following described premises: **23,485** rentable square feet (RSF), yielding approximately 21,897 ANSI/BOMA Office Area square feet and related space located on the first floor at **354 South Hwy 92, Sierra Vista, AZ 85635-3645**, together with ninety-four (94) on-site surface parking spaces, to be used for such purposes as determined by the General Services Administration, as depicted in the attached (Exhibits A & B) (the "Premises").

10. The Government shall pay the Lessor annual rent of **\$797,313.35** at the rate of \$66,442.78 per month in arrears. Rent for a lesser period shall be prorated.

	Annual Rent (yrs 1-10)	Annual Rental Rate (\$/RSF)
Shell Rental Rent	\$552,602.06	\$23.530000/RSF
Amortized TI Rent	\$108,032.25	\$ 4.600054/RSF
Building Specific Security Rent	\$ 21,166.78	\$ 0.901289/RSF
Operating Cost Rent	\$115,512.26	\$ 4.918555/RSF
Full Service Rent	\$797,313.35	\$33.949898/RSF

Rent checks shall be payable to:

High Range SV1, LLC
4300 N. Miller Road, Suite 153
Scottsdale, Arizona 85251-3619

12. **TAX ADJUSTMENT:** Pursuant to Paragraph 4.2, "Tax Adjustment" for purposes of tax escalation, the Government occupies 23,485/23,485 rentable square feet (100%). The rate is established at \$1.34 per rentable square foot per annum.

13. **OPERATING COST:** Pursuant to Paragraph 4.3, "Operating Costs", the base rate for purposes of operating cost escalation is established at **\$4.918555** per rentable square foot per annum.

14. **ADJUSTMENT FOR VACANT PREMISES:** Pursuant to Paragraph 4.4, "Adjustment for Vacant Premises", in the event of the Government vacating in whole or in part prior to lease expiration, the rental will be reduced by **\$4.918555** per rentable square foot per annum for operating expenses. The Adjustment for Vacant Premises rate shall be escalated annually based upon Paragraph 4.3, "Operating Costs".

17. **TENANT IMPROVEMENT ALLOWANCE:** The maximum Tenant Improvement Allowance has been established by Paragraph 3.2, "How to Offer." The Tenant Improvement Allowance of **\$820,146.85** shall be amortized over the ten (10)-year firm term of the lease agreement at an interest rate (amortization rate) of 5.75% per year. The Building Specific Security Allowance of **\$160,691.52** shall be amortized over the ten (10)-year firm term of the lease agreement at an interest rate (amortization rate) of 5.75% per year."

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<<Paragraph 25, continued from Page 1>>

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. The total amount of the commission is [redacted]. 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 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 of \$66,442.78 minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent.

Second Month's Rental Payment of \$66,442.78 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent.

Third Month's Rental Payment of \$66,442.78 minus prorated Commission Credit of \$ [redacted] equals \$ [redacted] adjusted Third Month's Rent.

Fourth Month's Rental Payment of \$66,442.78 minus prorated Commission Credit of [redacted] equals \$ [redacted] adjusted Fourth Month's Rent."

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

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

LESSOR: HIGH RANGE SVI, LLC	
BY <u>[Signature]</u> (Signature)	<u>VANCE H. MARSHALL, MEMBER</u> (Print Name and Official title)
IN PRESENCE OF <u>[Signature]</u> (Signature)	<u>SCOTT JEFFY, MEMBER</u> (Print Name and Official title)
	<u>JEFFREY M. LANES</u> (Print Name and Official title)
UNITED STATES OF AMERICA: GENERAL SERVICES ADMINISTRATION, Public Buildings Service	
BY <u>[Signature]</u> (Signature)	<u>Contracting Officer</u> (Official title)