

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
No. 2

DATE

OCT 05 2012

TO LEASE NO GS-09B-03010

ADDRESS OF PREMISES: 891 Scenic Drive, Page, Arizona 86040-1507

THIS AGREEMENT, made and entered into this date by and between HPI/GSA 1B, LLC

whose address is: c/o HPI Management
100 North Tryon Street, Suite 5500
Charlotte, NC 28202-4026

hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government:

WHEREAS, the parties hereto desire to amend the above Lease,

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: To provide Notice To Proceed with construction of the tenant improvements, to memorialize the provision of additional Lessor provided Tenant Improvement concession funding, to modify the firm term of the lease, to modify the brokers commission based upon the modified firm term and to establish a rate for Government caused delay.

Paragraphs 2, 4, and 25 are deleted in their entirety and substituted therefore and Paragraphs 31, 32, 33, and 34 are added as follows:

2. Lease Term:

To Have and To Hold the said 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 twenty (20) year, fifteen (15) year firm term subject to termination and renewal rights as may be hereinafter set forth.

4. Termination Rights:

The Government may terminate this lease, in whole or in part, at any time on or after the end of the fifteen (15) year firm term by giving at least one hundred twenty (120) days prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

Continued on Sheet Attachment No. 1 and 2 which is attached to and made apart of SLA No. 2.

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

LESSOR: HPI/GSA 1B, LLC

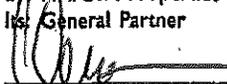
HPI/GSA - 1B, L.L.C.

By: HPI/GSA Properties One, LP

Its: Member

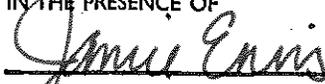
By: HPI/GSA Properties One, Inc.

Its: General Partner


By: Michael Verruto

Its: Vice President

IN THE PRESENCE OF



ADDRESS:

100 N. Tryon Street, Suite 5500, Charlotte, NC 28202

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

BY


(Signature)

Contracting Officer

(Official title)

Sheet Number 1 Attached To and Forming Apart of SLA No. 2 for Lease No. GS-09B-03010:

25. Commission and Commission Credit:

For the purposes of this transaction, Tucson Realty & Trust Company as cooperating broker to Carpenter/Robbins Commercial Real Estate, Inc. ("the Broker") is the authorized contractor real estate broker representing GSA. Lessor shall pay a commission to the Broker as evidenced by that certain brokerage agreement between the Offeror/Lessor and the Broker, executed upon 7/7/2011 and modified by mutual agreement on 8/22/2012.

Broker has agreed to forego a portion of the commission that it is entitled to receive in connection with the Lease. The resulting total dollar value of the foregone commission (the "Commission Credit") shall be applied in equal monthly amounts against rental payments due and owing under the Lease. The rental amount payable shall be reduced by the Commission Credit at the commencement of the Lease, over the minimum number of months that will not exceed the monthly shell rental, until the Commission Credit has been fully recaptured. Commissions and/or credits will be treated as confidential financial information and the parties will refrain from public disclosure or using the information for any other purpose than that for which it was furnished without consent of the GSA Lease Contracting Officer.

The Lessor and the Broker have agreed to a cooperating lease commission of [redacted] of the first ten (10) years of the firm term and [redacted] of the last five (5) years of the firm term value of this lease. The total amount of the commission is [redacted]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. For the benefit of the Government, the Broker has agreed to accept [redacted] of the first ten years of the firm term value of this lease and forego the remainder of the commission ("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 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 \$64,440.01 minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent;

Second Month's Rental Payment \$64,440.01 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent;

Third Month's Rental Payment \$64,440.01 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Third Month's Rent.

31. Notice to Proceed:

As of 09/26/2012, the Lessor is hereby issued Notice to Proceed with the construction of Tenant Improvements in the space under lease based upon the Government's acceptance of the Tenant Improvement Price in the amount of \$956,132.00. (This Tenant Improvement Price consists of: TI Base Construction Price [redacted], Alternate 1- [redacted], Alternate 3B [redacted], Alternate 5C [redacted], and Alternate 6 [redacted] per Exhibit C (37pages) which is attached to and made apart of Supplemental Lease Agreement No. 2 to GS-09B-03010.

32. Tenant Improvement Concession -- Increase:

Lessor has agreed to provide additional Tenant Improvement concession funding to the Government in the amount of [redacted] to pay for Tenant Improvements as outlined in the Government Approved Design Intent Drawings (DID) dated 6/27/2012 which includes the scope of work items identified as Alternate 1, 3, 5C and 6 in Exhibit C, TI Price Proposal. The tenant improvement budget shall be as follows:

Lessor TI Concession #1 Tenant Improvement Allowance	[redacted]	(Subject to amortization per SF-2 Paragraph 17)
Lessor TI Concession #2 Lessor TI Concession #3	[redacted]	
Deduction SLA #1 Allowance/Concession Balance	[redacted]**	
Add Contingency Concession #4 Total Allowance/Concession Balance	[redacted]***	

Lessor  Government 

Sheet Number 2 Attached To and Forming Apart of SLA No. 2 for Lease No. GS-09B-03010:

*Lessor Provided TI Concession #1: The Government has expended [REDACTED] of Concession #1 as per SLA No. 1 dated May 21, 2012 to complete agency required tenant improvements to the Dispatch Center. The remaining concession #1 amount available to expend for the Governments' tenant improvements is [REDACTED].

**Allowance/Concession Balance: The total tenant improvement allowance/concession balance of [REDACTED] is available to expend for the Governments' tenant improvements (Base TI and Alternate Prices).

***Lessor Provided Contingency Concession #4: The Lessor shall provide a concession of [REDACTED] which shall be used as a contingency fund for Government directed change orders which may be identified during the construction phase of the project. The total tenant improvement allowance/concession balance (which includes the contingency concession) of [REDACTED] is available to expend for the Government's tenant improvements as outlined in the Construction Documents dated 8/14/2012 and agency-directed change orders during the construction phase. In the event Government approved change orders are less than [REDACTED], the Lessor shall retain any remaining balance from the contingency amount. In the event the Government exceeds the total tenant improvement allowance/concession balance (which includes the contingency concession) of [REDACTED], the Government shall fund the overage via lump sum payment to the Lessor.

33. Operation and Maintenance of Garage Gate and Automatic Door Opener and Fitness Room Floor Mats:

Garage Gate and Automatic Door Opener: The Lessor shall be responsible for maintaining the existing garage gate as part of the rental consideration. The Government shall be responsible for maintaining the automatic garage door opener.

Fitness Room Floor Mats: The Lessor shall provide floor mats for the Fitness Room as part of the Tenant Improvement allowance. The Government shall be responsible for installing the floor mats. The Lessor shall be responsible for maintaining the floor mats which includes repair and/or replacement as required due to normal wear and tear.

34. Government Delay Rate:

It is the intent of all the parties to accept the tenant improvement work as substantially complete on or before January 18, 2013. If due to Government caused delays, i.e. excluding unforeseen conditions beyond the Governments' control, such as force majeure, weather or other acts of God such that, the performance of the Tenant Improvement construction work extends beyond January 21, 2013, the Government shall pay the sum of [REDACTED] per day for each working day that the work is extended. This does not include minor punch list items which may be identified by the Government.

All other terms and conditions of this Lease remain in full force and effect.

Lessor  Government 