

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
No. 3

DATE

FEB 14 2013

TO LEASE NO GS-09B-03010

ADDRESS OF PREMISES: 891 Scenic Drive, Page, Arizona 88040-1507

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 establish the lease term, rent, termination notice, the commission and commission credit to be paid by Lessor, to memorialize the amount of Tenant Improvement amortization included in the rent, to reconcile Lessor provided tenant improvement concession funding and to memorialize Lessor's responsibility with respect to maintaining the garage gate and automatic door opener and fitness room floor mats.

Paragraphs 2, 3, 4, 25 and 33 are deleted in their entirety and substituted therefore and Paragraph 34 has been added as follows:

2. Lease Term:

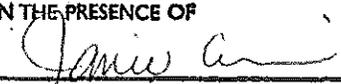
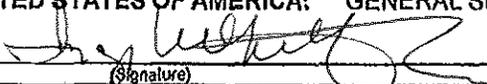
To Have and To Hold the said Premises with their appurtenances for the term beginning on February 1, 2013 and continuing through January 31, 2033, subject to termination and renewal rights as may be hereinafter set forth.

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

Period	Shell Rent (r.s.f. per year)	Annual Base Year Service Cost (r.s.f. per year)	Annual Amortized T.I. Rent (r.s.f. per year)	Annual Total Rent (r.s.f. per year)	Total Monthly Rent
02/01/2013-01/31/2018	\$467,760.27 [\$16.977671/rsf]	\$200,037.02 [\$6.982095/rsf]	\$116,485.41 [\$4.030904/rsf]	\$773,282.70 [\$26.990670/rsf]	\$64,440.22
02/01/2018-01/31/2023	\$601,010.27 [\$20.977671/rsf]	\$200,037.02 [\$6.982095/rsf]	\$116,485.41 [\$4.030904/rsf]	\$916,532.70 [\$31.990679/rsf]	\$76,377.73
02/01/2023-01/31/2033	\$688,112.98 [\$24.017905/rsf]	\$200,037.02 [\$6.982095/rsf]	\$ 0.00	\$888,150.00 [\$31.000000/rsf]	\$74,012.50

Continued on Sheet Attachment No. 1 and 2 which is attached to and made a part of SLA No. 3.

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

LESSOR:	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 Varruto 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 	Contracting Officer (Official title)	

Sheet Number 1 Attached To and Forming a part of SLA No. 3 for Lease No. GS-09B-03010:

Paragraph 3 continued ...

The Government shall pay rent monthly, in arrears. Rent for a lesser period will be prorated. The cost for the one hundred sixty (160) parking spaces referenced in Paragraph 1 of this SF-2 are included in the Shell Rent.

Rent checks shall be payable to:

HPI/GSA 1B, LLC
c/o HPI Management
100 North Tryon Street, Suite 5500
Charlotte, NC 28202-4026

4. Termination Rights:

The Government may terminate this lease, in whole or in part, at any time on or after February 1, 2028 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.

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 7/20/2012.

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 \$64,440.22 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent;

Second Month's Rental Payment \$64,440.22 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's Rent;

Third Month's Rental Payment \$64,440.22 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third Month's Rent.

Lessor  Government 

Sheet Number 2 Attached To and Forming Apart of SLA No. 3 for Lease No. GS-09B-03010:

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 provided the floor mats for the Fitness Room as part of the Tenant Improvement allowance concession funding. 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. Tenant Improvement Concession -- Reconciliation:

The Government expended Lessor provided Tenant Improvement concession funds in the amount of [REDACTED], and [REDACTED] in accordance with SLA No. 2. The tenant improvement budget was as follows:

Lessor TI Concession #1	[REDACTED]	Subject to amortization per SF-2 Paragraph 17)
Tenant Improvement Allowance	[REDACTED]	
Lessor TI Concession #2	[REDACTED]	
Lessor TI Concession #3	[REDACTED]	
Deduction SLA #1	[REDACTED]	
Allowance/Concession Balance	[REDACTED]	

Lessor Provided Contingency Concession #4: The Government did not use the Lessor provided contingency concession of \$10,000.00 as allowed under SLA No. 2.

The tenant improvement allowance of \$866,847.43 (\$31.213100/ABOA-SF) has been amortized into the lease over the initial 10 year term of the lease agreement at an interest rate of 6% per year. Lessor concessions totaling [REDACTED] were contributed in accordance with SLA No. 2 to Lease No. GS-09B-03010.

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

Lessor  Government 