

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL
AGREEMENT
No. 4

DATE

10.25.2010

TO LEASE NO GS-09B-02148

ADDRESS OF PREMISES: 790 Sandhill Road, Reno, NV 89521

THIS AGREEMENT, made and entered into this date by and between RENO SANDHILL PARTNERS, LLC

whose address is: 133 Old Wards Ferry Road, Suite G
Sonora, CA 95370-7822

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 beneficial occupancy of the premises on October 6, 2010, to establish the physical street address for the lease space, to establish the annual rent, and to make lump sum payment for the tenant improvement overage.

Paragraphs 1, 3, and 9 are deleted in their entirety and the following substituted therefore. Paragraph 29 is added.

*1. The Lessor hereby leases to the Government the following described premises:
18,254 rentable square feet (r.s.f.), yielding approximately 16,649 ANS/BOMA Office Area square feet and related space located on the 1st floor of the one story building at 790 Sandhill Road, Reno, NV 89521, together with seventy six (76) surface parking spaces as depicted on the Site Plan (Exhibit A) (the "Premises", to be used for SUCH PURPOSES AS DETERMINED BY THE GENERAL SERVICES ADMINISTRATION.

3. The Government shall pay the Lessor annual rent of:

For Year 1, months (1) through four (4), the annual rent of \$182,174.61 at the rate of \$15,181.22 per month in arrears. The rent consists of Shell Rent of \$4.586085/rsf, Operating Costs of \$5.393898/rsf and TI of \$0.00/rsf.

Months Five (5) through Twelve (12), annual rent of \$777,279.38 (42.58139/RSF) at the rate of \$64,773.28 per month in arrears, less commission credit. The rent consists of Shell Rent of \$31.839917, Operating Costs of \$5.393898 and TI of \$5.347504/rsf.

For Years 2-5, annual rent of \$777,279.38 (42.58139/RSF) at the rate of \$64,773.28 per month in arrears. The rent consists of Shell Rent of \$31.839917/rsf, Operating Costs of \$5.393898/rsf and TI of \$5.347504/rsf.

For Years 6 - 10, annual rent of \$827,028.62 (45.306707/RSF) at the rate of \$68,919.05 per month in arrears. The rent consists of Shell Rent of \$34.565305/rsf, Operating Costs of \$5.393898/RSF and TI of \$5.347504/rsf.

For Years 11- 15, annual rent of \$784,139.63 (42.957140/RSF) at the rate of \$65,344.97 per month in arrears. The rent consists of Shell Rent of \$37.563242 /rsf and Operating Costs of \$5.393898/rsf.

(CONTINUED ON PAGE 2 of 4)

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

LESSOR: RENO SANDHILL PARTNERS, LLC

BY

IN PRESEN

Scot Patterson, Manager
(Print Name and Official title)

Ron Woodall, MEMBER
(Print Name and Official title)

ADMINISTRATION, Public Buildings Service

Contracting Officer

(Official title)

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Rent for a lesser period shall be prorated. Rent shall be payable to :

Reno Sandhil Partners, LLC
133 Old Wards Ferry Road
Sonora, Ca 95370-7822"

"9. TO HAVE AND TO HOLD the Premises with their appurtenances for the term beginning on October 6, 2010 through October 5, 2025, subject to termination rights as may be hereinafter set forth."

29. Tenant Improvement Rental Adjustment

The total tenant improvement amount to be paid by the Government is \$1,688,449.78. The tenant improvement amount to be amortized in the lease rental payments is \$700,590.00, which has been amortized over the ten (10) year firm term of the lease at an interest rate of 7.0% per year.

The Government shall reduce its Free Rent Reduction Concession from six (6) months to four (4) months. The Government shall pay the full shell, tenant improvement and operating rent as part of the rental consideration for two months in lieu of free rent to fund tenant improvement change orders, this equates to \$99,184.16. The reduction in free rent is reflected in Paragraph 3 of this SLA Number 4.

In accordance with Section 1.11, "Tenant Improvements Rental Adjustment (MAR 2007)", the Government shall make a lump sum payment to the Lessor for the tenant improvement overage and associated change orders in the amount of \$888,675.62.

The Notice To Proceed with construction of the tenant improvements was issued on March 16, 2010.

Original TI Construction Cost: \$1,565,936.00

Tenant Improvement Change Orders:

Change Order No. 1	\$ 13,230.00
Change Order No. 2	\$ 48,675.00
Change Order No. 3	\$ 2,338.13
Change Order No. 4	\$ (873.18)
Change Order No. 5	\$ 7,635.92
Change Order No. 6	\$ 867.12
Change Order No. 7	\$ 8,052.86
Change Order No. 8	\$ 603.54
Change Order No. 9	\$ 2,403.14
Change Order No. 10	\$ 1,954.53
Change Order No. 11	\$ 11,072.41
Change Order No. 12	\$ 5,691.44
Change Order No. 13	\$ 11,414.40
Change Order No. 14	\$ 412.34
Change Order No. 15	\$ 1,656.74
Change Order No. 16	\$ 1,734.23
Change Order No. 17	\$ 2,419.44
<u>Change Order No. 18</u>	<u>\$ 3,225.92</u>
Change Order Total	\$ 122,513.78

TI Construction Cost/Change Order Total \$1,688,449.78

TI to be Amortized in Rent:	(\$ 700,590.00)
Two Month Free Rent Conversion	(\$ 99,184.16)
TI Overage to be paid lump sum:	<u>(\$ 888,675.62)</u>
Remaining Balance	0.00

The lump sum payment is authorized under Reimbursable Work Authorization No. A0862248, A0415909, and A1121797. No GSA Broker Commission or Commission Credit shall be due by the Lessor with respect to the above \$888,675.62. No further adjustment shall be made to the Commission Credit with respect to the terms outlined in this SLA No. 4.

Initial SR (Lessor) AW (Gov't)