

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT
NO 3

DATE
1/11/2012

TO LEASE NO.
GS-07B-16810

ADDRESS OF PREMISES: 3000 Briarcrest Drive
Bryan, TX 77802

THIS AGREEMENT, made and entered into this date by and between Kensington Management, LLC,

whose address is 3000 Briarcrest Drive
Suite 206
Bryan, TX 77802-3054

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

WHEREAS, the parties hereto agree to supplement the above Lease.

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


- 1.) To increase the amount of area leased by the Government; and
- 2.) To change the rental payment schedule; and
- 3.) To increase the percentage of occupancy; and
- 4.) To change the Common Area Factor; and
- 5.) To change the Tenant Improvement Allowance; and
- 6.) To change the payment of the Tenant Improvements and Building Specific Amortized Capital; and
- 7.) To address the Unauthorized Tenant Improvement stipulation; and
- 8.) To change the Broker Commission and Commission Credit.

See Attached

All other terms and conditions are in full force and effect.

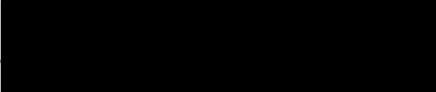
IN WITNESS WHEREOF, the parties subscribe their names as of the above date.

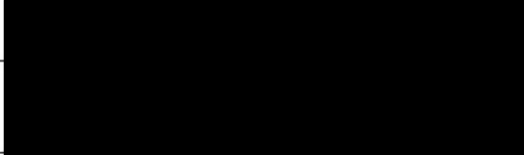
BY: Kensington Management, LLC

BY: 
S, Fred Bayliss
Printed Name

Agent & Attorney
Title

Witnessed in the presence of:

S 
Paula Phillips
Printed Name


City, State, Zip

UNITED STATES OF AMERICA

General Services Administration
819 Taylor St.
Fort Worth, TX 76102
Nancy Lopez
Contracting Officer
(Official Title)

- The Lessor and the Government have agreed to increase the amount of leased space by 354 Rentable Square Feet (RSF) yielding 305 ANSI/BOMA Office Area (ABOA) herein defined as the "Expansion Area." Phase I: A total of 9,976 RSF of office and related space, which yields 8,494 ABOA. Phase II: A total of 4,106 RSF of office and related space, which yields 3,646 ABOA. The total square footages of the leased premise shall change from 13,728 RSF and 11,835 ABOA to 14,082 RSF and 12,140 ABOA. The specific leased area the Government will acquire from the Lessor is depicted and outlined on the attached floor plan labeled Exhibit "A".
- The new Rental amounts shall be as follows:

<u>TERM</u>	<u>SHELL</u>	<u>OPERATING</u>	<u>TI</u>	<u>BSAC</u>	<u>MONTHLY RENT</u>	<u>ANNUALRENT</u>
Years 1-10	\$248,219.84	\$64,073.10	\$66,069.17	\$14,845.40	\$32,767.29	\$393,207.51
Years 11-15	\$263,755.86	\$64,073.10	\$0.00	\$0.00	\$27,319.08	\$327,828.96

The above listed rent is for the total 14,082 RSF / 12,140 ABOA. The Government will pay the rent based on its pro rate share upon substantial completion and acceptance of the space. Annual CPI adjustments will be included as stated in the Solicitation for Offers. Rent shall be paid monthly in arrears. Rent for lessor period shall be prorated.

- The percentage of occupancy for Real Estate Tax purposes is changed from 9.93% to 11.93% [14,082 RSF / 118,011 RSF].
- The Common Area Factor shall change from 1.1599 to 1.159967 [14,082 RSF / 12,140 ABOA].
- Tenant Improvement Allowance: In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, the Tenant Improvement Allowance shall change from \$442,392.00 to **\$453,793.20** (12,140 ABOA x \$37.38). The Tenant Improvement Allowance will be amortized through the rent for the first ten (10) years at an interest rate of 8.00%.

The Building Specific Amortized Capital (BSAC) shall remain at \$101,965.00 and be amortized through the rent for the first ten (10) years at an interest rate of 8.00%.


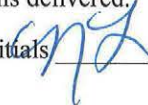
The Lessor shall provide all the materials, labor, and services required to provide the completion of the Tenant Improvements depicted and according to the Construction Drawings developed. The Lessor remains responsible for the accuracy of the Construction Drawings as stated in the Solicitation for offer under "Construction Schedule and Acceptance of Tenant Improvement, Review of Working/Construction Drawings". This Supplemental Lease Agreement does not release the Lessor for liability for accuracy of the Construction Drawings when compared to the GSA approved Design Intent Drawings.

- The Government shall pay the Lessor for the total cost of the Tenant Improvements as follows:

The total tenant improvement costs remains \$791,139.35 (SLA No. 2). The tenant improvement allowance in the amount of \$453,793.20 and the Building Specific Amortized Capital in the amount of \$101,965.00 shall be amortized over 120 months at an 8.00% interest rate. The remaining balance of the tenant improvement costs in the amount of \$337,346.15, shall be paid to the Lessor in lump sum payment in accordance with the Prompt Payment provision in the lease. The payment of the Tenant Improvement Costs and Building Specific Amortized Capital is demonstrated below:

<u>Item</u>	<u>Total Amount</u>	<u>Annual Amount</u>	<u>Monthly Amount</u>	<u>Lump Sum</u>
Tenant Improvement Allowance	\$453,793.20	\$66,069.17	\$5,505.76	
Building Specific Amortized Capital	\$101,965.00	\$14,845.40	\$1,237.12	
Excess of TI's over TI Allowance				\$337,346.15

To submit for payment of the lump-sum-payment, the Lessor agrees that the invoice shall be printed on the same letterhead as the named on this lease, shall include the Lease number, building address, and a price and quantity of the items delivered.

Lessor Initials:  Gov't Initials: 

The invoice shall reference the number PS0021144 and shall be sent electronically to the GSA Finance Website at <http://www.finance.gsa.gov/defaultexternal.asp> . Instructions for invoice submission are included on the website. Additional assistance is available from the Finance Customer Service line at 817-978-2408.

The total tenant improvement costs includes all Lessor fees for general and administrative costs, overhead and profit and any and all costs associated with the completion of the tenant improvements and acceptance by the Government.

If the Lessor is unable to process the invoice electronically, then the invoice may be mailed to:

General Services Administration
FTS and PBS Payment Division (7BCP)
P.O. Box 17181
Fort Worth, TX 76102-0181

Lessor also agrees that a copy of the invoice shall be sent simultaneously to the GSA Contracting Officer/Realty Specialist at the following address:

General Services Administration
ATTN: Thomas Sisson
819 Taylor Street Room 5A18
Fort Worth, TX 76102

7. Unauthorized Tenant Improvements: All questions pertaining to this Lease shall be referred, in writing, to the Contracting Officer of the General Services Administration (GSA) or his/her designee. The Government's occupant of the leased premise is not authorized to administer this lease or make commitments to the Lessor that are not followed-up with a written agreement to the Lease. GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or any other cost authorized, in writing, by the GSA Contracting Officer. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, changes in scope of work, alterations, and overtime services without the written authorization of a Contracting Officer, then the Lessor shall not be entitled to compensation or payment if the Tenant Improvements remain in place after the Government's acceptance of the space.
8. In accordance with Paragraph 2.4 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit described in Paragraph 2.4, only [REDACTED], which is [REDACTED] of the Commission, will be payable to Studley when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the Government as follows:

The shell rental portion of the annual rental payments (\$248,219.84 / 12 months = \$20,684.99 per month) due and owing shall be reduced to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first full month of the rental payments and continue throughout the fourth month of the lease term as indicated in the following schedule of adjusted Monthly Rent:

Month 1: \$32,767.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's Rent
Month 2: \$32,767.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second's Month's Rent
Month 3: \$32,767.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Third's Month's Rent
Month 4: \$32,767.29 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Fourth's Month's Rent

This Supplemental Lease Agreement No. 3 consists of six (4) pages.

(END)

Lessor Initials:  Gov't Initials: 