

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 01	TO LEASE NO. GS-10B-07111	BUILDING NO. WA7987	DATE June 16, 2011	PAGE 1 of 2
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ADDRESS OF PREMISES **Nicholson Plaza - 1802 Black Lake Boulevard, Olympia, WA 98512-5665**

THIS AGREEMENT, made and entered into this date by and between **NICHOLSON PROPERTIES, LLC**

whose address is **1802 BLACK LAKE BLVD SW, SUITE 301
OLYMPIA, WA 98512-5665**

hereinafter called the Lessor, and the **UNITED STATES OF AMERICA**, hereinafter called the Government: **WHEREAS**, the parties hereto desire to amend the above Lease contract to increase the square footage, to modify the full service rent, to modify the tenant Improvement Allowance, tax adjustment and percentage of occupancy, operating costs, common area factor and the Broker Commission and Commission Credit. **NOW THEREFORE**, the parties for the considerations hereinafter mentioned covenant and agree that the Lease is amended effective June 9, 2011, as follows:

Paragraphs 1, 3, 8, 9, 10, 11 and 17 of the lease are hereby deleted in their entirety and replaced as follows:

"1. The Lessor hereby leases to the Government the following described premises: A total of 2,891 rentable square feet (RSF) of office and related space, which yields 2,514 ANSI/BOMA Office Area square feet (USF) of space at Nicholson Plaza - 1802 Black Lake Boulevard, Olympia, WA 98512-5665 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are 5 reserved, surface parking spaces (valued at \$600.00 per space / per year) for the use of Government employees and patrons. One (1) additional reserved space may be provided over the term of the lease at no additional cost to the Government."

"3. The Government shall pay the Lessor annual rent of \$96,389.28 at the rate of \$8,032.44 per month in arrears for years 1 - 10.

For months 1 through 2, monthly rent shall be reduced by the amount of commission credit agreed to in this lease, and shall be paid based upon the adjusted schedule stated in Paragraph 17 herein.

For months 3 through 120, rent shall be structured as follows

Rent Breakdown (Years 1- 10)	Annual Rent	Monthly Rent
Shell Rent	\$65,161.20	\$5,430.10
Operating Cost	\$14,055.60	\$1,171.30
Amortization of TI	\$15,219.24	\$1,268.27
Building Specific Security	\$ 1,953.24	\$ 162.77
Full Service Rent	\$96,389.28	\$8,032.44

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

**NICHOLSON PROPERTIES, LLC
1802 BLACK LAKE BLVD SW, SUITE 301
OLYMPIA, WA 98512-5665"**

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

LESSOR NICHOLSON PROPERTIES, LLC

SIGNATURE	NAME OF SIGNER Drake Nicholson
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ADDRESS **1802 Black Lake Blvd. Sw, Ste. 301 - Olympia, WA 98512**

IN PRESENCE OF

SIGNATURE	NAME OF SIGNER Desiree Forbes
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ADDRESS **1802 Black Lake Blvd. Sw, Ste. 301 - Olympia, WA 98512**

UNITED STATES OF AMERICA

	NAME OF SIGNER TERRIA HEINLEIN
	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

- "8. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant Improvements in the total amount of \$106,845.00 (2,514 USF x \$42.50) shall be amortized through the rent for 10 years at the rate of 7.50%. The total annual cost of Tenant Improvements for the amortization period shall be \$15,219.24."
- "9. Tax Adjustment: Pursuant to Paragraph 4.2, "Tax Adjustment (SEP 2000)," for purposes of tax escalation, the Government occupies 2,891 / 15,754 (18.351%) rentable square feet. Base year taxes are established at \$4,376.64 (\$1.5138/RSF). Taxes shall be increased or decreased from the base pursuant to annual adjustment per Section 4.2 of the SFO. Tax parcel number is identified as 12821310500."
- "10. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$4.86/RSF (\$14,055.60/annum)."
- "11. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.15 (2,891 RSF/2,514 USF)."
- "17. 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]. The Lessor shall pay the Broker no additional commissions associated with this lease transaction. 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 and the Broker have agreed to a cooperating lease Commission less the Commission Credit which totals [REDACTED] to the Broker inclusive of [REDACTED] already paid with a net balance of [REDACTED] 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 of \$8,032.44 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted First Month's Rent.

Second Month's Rental Payment of \$8,032.44 minus one half of the Commission Credit [REDACTED] equals [REDACTED] adjusted Second Month's Rent."

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