

<b>GENERAL SERVICES ADMINISTRATION</b> PUBLIC BUILDINGS SERVICE <b>SUPPLEMENTAL LEASE AGREEMENT</b>	Supplemental Agreement No. <b>1</b>	Date: <b>9/3/2010</b>
	TO LEASE NO. <b>GS-10B-07144</b>	Building # <b>WA7992</b>

ADDRESS OF PREMISES    **Land Title Building**  
**9657 Levin Road**  
**Silverdale, WA 98383**

THIS AGREEMENT, made and entered into this date by and between **Land Title Company of Kitsap County**

whose address is    **9657 Levin Road NW, STE 101**  
**Silverdale, WA 98383-7619**

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

WHEREAS, the parties hereto desire to amend the above Lease to reflect the new square footage, the annual rental rate based on the adjusted square footage, establish beneficial occupancy of the lease, set the tax base and operating cost base, document the Tenant Improvement Allowance, and adjust the Broker Commission and Commission Credit.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective May 28, 2010 as follows:

The purpose of this Supplemental Lease Agreement (SLA) #1 is to reflect the new square footage, to establish beneficial occupancy, state the annual rent, document the Tenant Improvement Allowance, set the tax base and operating cost base, and establish the Broker Commission and Commission Credit. Therefore, Paragraphs 1, 2, 3, 4, 12, 13 and 23 are deleted in their entirety and replaced with the same numbered paragraphs. Paragraph 24 will be added.

1. The Lessor hereby leases to the Government the following described premises:

4,876 rentable square feet (rsf), yielding approximately 4,240 ANSI/BOMA Office Area square feet and related space located at the Land Title Building, 9657 Levin Road, Silverdale, WA 98383 together with one (1) onsite reserved and secured parking space as depicted on the attached Site Plan (Exhibit A) (the "Premises"), to be used for such purposes as determined by the General Services Administration."

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

LESSOR: **Land Title Company of Kitsap County**  
 BY:   


CEO  
 (Title)  
9657 Levin Road NW  
 (Address) Silverdale WA 98383

UNITED STATES OF AMERICA  
 By 

TERRIA HEINLEIN  
 CONTRACTING OFFICER  
 \_\_\_\_\_  
 (Official Title)

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on **May 28, 2010** through **May 27, 2022**, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent per the table below, per month in arrears. Rent for a lessor period shall be prorated.

	Annual Rent (yrs 1-3)	Monthly Rent (yrs 1-3)	Annual Rent (yrs 4-6)	Monthly Rent (yrs 4-6)	Annual Rent (yrs 7-9)	Monthly Rent (yrs 7-9)	Annual Rent (yrs 10-12)	Monthly Rent (yrs 10-12)
Shell Rental Rate	\$60,721.78	\$5,060.15	\$65,500.26	\$5,458.36	\$70,532.21	\$5,877.69	\$75,832.44	\$6,319.37
**Real Estate Tax	\$7,444.70	\$620.39	\$7,444.70	\$620.39	\$7,444.70	\$620.39	\$7,444.70	\$620.39
TI Rental Rate	\$29,839.51	\$2,486.63	\$29,839.51	\$2,486.63	-----	-----	-----	-----
Building Specific Security	\$859.27	\$71.61	\$859.27	\$71.61	-----	-----	-----	-----
*Operating Cost Rate	\$19,455.24	\$1,621.27	\$19,455.24	\$1,621.27	\$19,455.24	\$1,621.27	\$19,455.24	\$1,621.27
Full Service Rent per RSF	\$118,320.50	\$9,860.05	\$123,098.98	\$10,258.26	\$97,432.15	\$8,119.35	\$102,732.38	\$8,561.03

\*Subject to CPI

\*\*Subject to adjustment pursuant to SFO section 4.2

Rent checks shall be made payable to: Land Title Company of Kitsap County  
 9657 Levin Road NW, Ste 101  
 Silverdale, WA 98383-7619

4. The Government may terminate this lease at any time after May 2016 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.

12. Pursuant to Paragraph 4.2, "Tax Adjustment GSAM 552.270-24," for purposes of tax escalation, the Government occupies 4,876/27,075 rentable square feet (18.0092%). For the purposes of this lease the negotiated fully-assessed tax base is hereby established as \$7,444.70 (\$1.53/RSF).

13. Pursuant to Paragraph 4.3, "Operating Cost," the base rate for purposes of operating cost escalation is established at \$3.99 per rentable square foot per annum, (\$19,455.24 annum), and shall be adjusted according to CPI as specifically described in paragraph 4.3 of the SFO.

Initials: ASK & JH  
 Lessor Go

23. The Lessor and the Broker (CB Richard Ellis) have agreed to a cooperating lease commission of [REDACTED] of the firm term value of the lease ("Commission"). The Lessor shall pay the Broker no additional commissions associated with this lease transaction. In accordance with the "Broker Commission and Commission Credit" 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 agrees to pay the Commission less the Commission Credit to the Broker in accordance with the Broker Commission and 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 \$9,860.05 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted First Month's rent.

Second Month's Rental Payment \$9,860.05 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted Second Month's rent.

24. In separate correspondence dated April 23, 2010, the Government issued a Limited Notice to Proceed Letter for Tenant Improvements in the amount of \$143,366.16, the amount based as a Tenant Improvement allowance per the SF2. The total costs for tenant improvements are as follows:

Tenant Improvement costs \$145,851.65  
Security Costs \$14,329.53

The rental rate in paragraph 3 of this SLA includes the Tenant Improvement Costs amortized over the 5-year firm term period of the lease contract at an interest rate (amortization rate) of 7%, using end of month payments.

Upon final acceptance and approval by the Government of the work, lump sum payment for security upgrades, in the amount of \$14,329.53 will be made to the Lessor for the foregoing within (30) days of Government receipt of Lessor's itemized invoice and completion/inspection/acceptance whichever occur later. The invoice must contain the Lessor's name and mailing address as identified in the lease, and must include GSA PDN identifier #PS0017421 for process of payment. The invoice should be submitted electronically to ([www.finance.gsa.gov](http://www.finance.gsa.gov)) and courtesy copy sent to the address below.

Invoice Address:  
General Services Administration  
Attention: PBS Payments Branch (BCFA)  
P.O. Box 17181  
Fort Worth, TX 76102

Invoice Address:  
GSA Western Service Center  
c/o Iris A. Maguire  
915 Second Ave., Suite 390  
Seattle, WA 98174-1058

**All other terms and conditions of the Lease shall remain in force and effect unless otherwise amended.**

Initials: *DM* & *JA*  
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