



SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 3	TO LEASE NO. GS-10B-07219	DATE MAR 21 2012	BLDG No. WA7764
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ADDRESS OF PREMISES

10275-B Central Valley Road NW
Poulsbo, WA 98370-8195

THIS AGREEMENT, made and entered into this date by and between: **Stephen and Ann Coupe, as Individuals**

whose physical address is: [REDACTED]

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

WHEREAS, the parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective March 21, 2012, as follows: Supplemental Lease Agreement No. 3 is issued to document the total annual rent, modify the amortized Tenant Improvements and confirm the Tenant Improvement amortization rate.

I. Paragraph II (C) (5) "Amount of Annual Rent", is hereby deleted in it's entirety and replaced with the following:

"The Government shall pay the Lessor annual rent according to the table below including rental amounts for shell rent, operating rent and the amortized Tenant Improvements. TI payments shall begin upon final space acceptance for Beneficial Occupancy.

Rent Period	Base Shell Rent	Taxes	Operating Costs	Amortized TIs*	Annual Rent	Monthly Rent
Years 1 - 5	\$35,155.05	\$2,333.00	\$8,260.00	\$15,832.44	\$61,580.49	\$5,131.71
Years 6 - 10	\$41,875.75	\$2,333.00	\$8,260.00	N/A	\$52,468.75	\$4,372.40

*The tenant improvements will amortized in accordance with paragraph 1.1 C on page 2.

After Year 1, Operating Costs are subject to CPI adjustments and Taxes are subject to actual adjustments.

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

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

LESSOR: Stephen and Ann Coupe, as Individuals

[REDACTED]	NAME OF SIGNER STEPHEN R COUPE
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IN PRESENCE OF

SIGNATURE X [REDACTED]	NAME OF SIGNER ANN M COUPE
ADDRESS [REDACTED]	Joyce Aarness

UNITED STATES OF AMERICA

SIGNATURE [REDACTED]	NAME OF SIGNER RONALD P. WEBER
	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

Part III, AWARD, is hereby amended to add Tenant Improvement terms to the lease and modify the Broker Commission and Commission Credit terms as follows:

1.1 TENANT IMPROVEMENTS INCLUDED IN OFFER (AUG 2008)

A. The Tenant Improvement Allowance is a total sum of **\$63,558.69** (Tenant improvements are the finishes and fixtures that typically take space from the "shell" condition to a finished, usable condition.) The Tenant Improvement Allowance shall be used for the build out of the Government-demised area in accordance with the Government-approved design intent drawings. All Tenant Improvements required by the Government for occupancy shall be performed by the successful Offeror as part of the rental consideration, and all improvements shall meet the quality standards and requirements of this solicitation and its attachments.

B. The Tenant Improvement Allowance shall include all the Offeror's administrative costs, general contractor fees, subcontractor's profit and overhead costs, Offeror's profit and overhead, design costs, and other associated project fees necessary to prepare construction documents and to complete the tenant improvements. It is the successful Offeror's responsibility to prepare all documentation (working/construction drawings, etc.) required to receive construction permits. **NO COSTS ASSOCIATED WITH THE BUILDING SHELL SHALL BE INCLUDED IN THE TENANT IMPROVEMENT PRICING.**

C. The Lessor agrees to provide \$63,558.69 toward the cost of the Tenant Improvements. The tenant build out cost of **\$63,558.69** will be amortized at a rate of **9.00%** over the firm term of five (5) years or the remainder of the firm term. The build out will conform to the specifications in the lease and all attachments, and are to be provided by the Lessor as part of the total rental payment. Upon completion of tenant improvements and acceptance of space by the Government, a Supplemental Lease Agreement will be issued to determine the final rental rate, including any adjustments to tenant improvement costs as well as the occupancy date.

1.2 TENANT IMPROVEMENT RENTAL ADJUSTMENT (AUG 2008)

A. The Government, at its sole discretion, shall make all decisions as to the usage of the Tenant Improvement Allowance. The Government may use all or part of the Tenant Improvement Allowance. The Government may return to the Lessor any unused portion of the Tenant Improvement Allowance in exchange for a decrease in rent according to the amortization rate over the firm term.

B. The Government reserves the right to make cash payments for any or all work performed by the Lessor. Prior to occupancy, the Government, at its sole discretion, may choose to pay lump sum for any or all of the Tenant Improvement Allowance. If, prior to occupancy, the Government elects to make a lump sum payment for any portion of the Tenant Improvement Allowance, the payment of the Tenant Improvement Allowance by the Government will result in a decrease in the rent. At any time after occupancy and during the firm term of the lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the Tenant Improvement Allowance if the original occupant agency vacates the space. If the Government elects to make a lump sum payment for the Tenant Improvement Allowance after occupancy, the payment of the Tenant Improvement Allowance by the Government will result in a decrease in the rent according to the amortization rate over the firm term of the lease.

C. If it is anticipated that the Government will spend more than the allowance identified above, the Government reserves the right to either 1) reduce the Tenant Improvement requirements, 2) pay lump sum for the overage upon completion and acceptance of the improvements, or 3) increase the rent according to the negotiated amortization rate over the firm term of the lease.

D. Payment will not be made by the Government in instances where the Government accepts fixtures and/or other Tenant Improvements already in place. However, the Lessor will be reimbursed for costs to repair or improve the fixture(s) and/or any other improvements already in place.

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

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