

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
LEASE AMENDMENT

LEASE AMENDMENT NO. 1

TO LEASE NO. **GS-10B-07393**
BLDG. NO. **WA8044ZZ**

1350 SLATER ROAD, SUITE 5
FERNDALE, WA 98248-8941

THIS AGREEMENT, made and entered into this date by and between SILVER CREEK GROUP, LLC
whose address is

1350 SLATER ROAD, SUITE 9
FERNADLE, WA 98248-8941

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 increase the Tenant Improvement Allowance (TIA) that is amortized into the rent and order Tenant Improvements (TIs) which exceed the Tenant Improvement Allowance.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective August 5, 2013, as follows:

I. Notice to Proceed for TI costs over the Tenant Improvement Allowance and Lump Sum Payment

- A. The Government has reviewed the Lessor's TI cost proposal and determined that the proposal is fair and reasonable. This Lease Amendment serves as the Lessor's Notice to Proceed for the construction of TIs in the amount of \$93,324.55. Said amount includes all costs for labor, materials, fees, overhead, profit and any other costs required to complete the work.

The total cost for Tenant Improvements in the amount of \$93,324.55 exceeds the TIA of \$67,546.32, which is stated in the Lease and amortized into the rental rate. The costs for TIs over the TIA in the amount of \$25,778.23 will be paid via lump sum upon completion, inspection, and acceptance of the space; and upon receipt of an original invoice.

The original invoice must be submitted electronically to (www.finance.gsa.gov) with a courtesy copy to the Contracting Officer and the GSA Finance Office at the following addresses:

Continued on Page 2

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

FOR THE LESSOR

Signature: _____

Name: Cleo Callen

Title: Member

Entity Name: SILVER CREEK GROUP, LLC

Date: 8-6-2013

FOR THE GOVERNMENT

Signature: _____

Name: Ron Weber

Title: Lease Contracting Officer

GSA, Public Buildings Service

Date: 8-8-2013

WITNESS

Signature: _____

Name: _____

Title: Member

Date: 8-6-2013

Invoice Address:

General Services Administration
 PBS Payment Branch (BCFA)
 P.O. Box 17181
 Fort Worth, TX 76102-0181

Courtesy Copy Address:

U.S. General Services Administration
 Attn: Ron Weber
 Leasing Contracting Officer
 400 15th Street SW
 Auburn, WA 98001-6599

A proper invoice must include the following:

- Invoice date
- Name of the Lessor as shown on the Lease
- Lease contract number, building address, and a description, price, and quantity of the items delivered
- GSA PDN # **PS0026985**

If the invoice is not submitted on company letterhead, the person(s) with whom the Lease contract is made must sign it.

- B. The Government-approved TICS Table which formed the basis for the TI costs is hereby incorporated into the lease as Exhibit A (1 page).

II. Lease Paragraphs 1.03, Rent and Other Consideration, 1.04, Broker Commission and Commission Credit and 1.08, Tenant Improvement Pricing Based on Tenant Improvement Allowance and deleted in their entirety and replaced with the following:

1.03 RENT AND OTHER CONSIDERATION (AUG 2011)

- A. The Government shall pay the Lessor annual rent, payable monthly installments in arrears, at the following rates:

	YEARS 1 - 5		YEARS 6 - 10	
	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	\$28,833.25	\$10.25	\$33,446.57	\$11.89
TENANT IMPROVEMENTS RENT ¹	\$9,411.24	\$3.35 ²	\$9,411.24	\$3.35 ²
OPERATING COSTS	\$11,533.30	\$4.10	\$11,533.30	\$4.10
TOTAL ANNUAL RENT	\$49,777.79	\$17.70	\$54,391.11	\$19.34

¹The Tenant Improvements Allowance is amortized at a rate of 7 percent per annum over 10 years.

²Rates are rounded.

- B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 2,990 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.
- D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.
- E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.
- F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:

Continued on Page 3

1. The leasehold interest in the Property described in "Paragraph 1.01 THE PREMISES" created herein;
 2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses;
 3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.
- G. Parking shall be provided at a rate of \$0 per parking space per month (Structure), and \$0 per parking space per month (Surface).

1.04 BROKER COMMISSION AND COMMISSION CREDIT (AUG 2011)

- A. Jones Lang LaSalle Americas, Inc. ("Broker") is the authorized real estate Broker representing GSA in connection with this lease transaction. The total amount of the Commission is [REDACTED] and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only [REDACTED] of the Commission, will be payable to Jones Lang LaSalle Americas, Inc. with the remaining [REDACTED], which is the "Commission Credit", to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.
- B. Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully 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:

Month 1 Rental Payment \$4,148.15 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.

Month 2 Rental Payment \$4,148.15 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.

**1.08 TENANT IMPROVEMENT PRICING BASED ON TENANT IMPROVEMENT ALLOWANCE (TIA)
(STREAMLINED) (JULY 2011)**

The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$24.01 per ABOA SF, or a total of \$67,546.32. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the firm term of this Lease at an annual interest rate of 7 percent.

- A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed-upon amortization rate over the firm term.
- B. The Government shall have the right to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. 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 TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the firm term of the Lease.

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

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