

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT	DATE
	NO. 1 PS 0018553	November 8, 2010
	TO LEASE NO. LIL17795	
ADDRESS OF PREMISES 525 W. Van Buren St. Chicago, IL 60607-3823		

THIS AGREEMENT, made and entered into this date by and between

NNN Congress Center, LLC

Acting by and through Triple Net Properties Realty, Inc. ("Agent" for Lessor)

Whose address is:

30 Old Rudnick Lane

Dover, DE 19901-4912

c/o

Triple Net Properties

1551 N. Tustin Ave., Suite 650

Santa Ana, CA 92705

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

WHEREAS, effective May 26, 2009 the Government entered into a lease with the Lessor for 28,080 rentable square feet (RSF) (22,977 ANSI/BOMA (USF)) and hereinafter referred to as the premises;

AND

WHEREAS, the Lessor has sought competitive pricing of the necessary tenant improvements (TIs) and the Government has conducted price negotiations,

WHEREAS, the notice to proceed with TI construction was given on October 21, 2010 by the Government, effective October 22, 2010, however, the Lessor advised the Government that the TI construction contractor with the lowest price proposal, Turner Construction, would not agree to final terms of the Lessor; and consequently,

WHEREAS, the Lessor has had subsequent discussions with and has committed to bringing the TI construction contractor with the second lowest price proposal, Clune Construction, under contract to execute TIs with no change in prices from the original notice to proceed based upon Turner Construction and as reflected herein; and

WHEREAS, the parties hereto desire to amend the above Lease.

NOW THEREFORE, these parties for the consideration hereinafter mentioned covenant and agree that the said Lease is amended, effective **November 8, 2010**, as follows:

Supplemental Lease Agreement (SLA) No. 1, to Lease LIL17795, is hereby issued to instruct the Lessor to proceed with the construction of tenant improvements. Accordingly, the following paragraphs of said lease are hereby amended to read as follows:

A. Paragraphs 2 and 4 of the lease are deleted in their entirety and replaced by the following:

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on April 1, 2011, for ten (10) years, seven (7) years firm, subject to termination and renewal rights as may be hereinafter set forth. If the actual date of beneficial occupancy by the Government under the terms of this lease is different than stated above, then the actual date will be established by Supplemental Lease Agreement.

4. The Government shall pay the Lessor annual rent in 12 equal monthly installments each paid in arrears subject to the following:

- a. Annual Rent for Year 1 shall be \$132,584.40. This figure is composed of the Year 1 Annual Rent of \$903,895.20 (composed of Shell/Base rent of \$9.81/RSF; Real estate taxes of \$8.61/RSF; Amortized Tenant Improvements of \$7.17/RSF (the result of amortizing \$1,112,009 over 84 months at 7 percent per annum but subject to certain abatements conditions as delineated below); and Operating costs of \$6.60/RSF) less rent abatements to the Government including: i) Rent abatement in Lease months one (1) through Ten (10) totaling \$725,400; and ii) Broker Commission Credit to the Government totaling \$126,535.50 and deducted from the Shell Rent over lease months 11 through 16, all as indicated in the Schedule of Rent below. Future adjustments to Annual Rent shall

be based on operating cost and real estate tax adjustments as defined below. Rent for periods less than one year shall be adjusted on a pro rata basis:

Schedule of Rent

(i) Lease Year	(ii) Shell Rent (\$/RSF)	(iii) Real Estate Taxes (\$/RSF)	(iv) Operating Costs (\$/RSF)	(v) Amortized TI (\$/RSF)	(vi) Total Rent Rate (\$/RSF)	(vii) Annual Rent (\$/RSF)	(viii) Concessions (Gross Rent) (\$)	(xi) Commission Credit (\$)	(x) Adjusted Annual Rent (\$/Year)
1	9.81	8.61	6.60	7.17	32.19	903,895.20	(725,400.00)		
2	10.25	8.61	6.60	7.17	32.63	916,250.40			
3	10.70	8.61	6.60	7.17	33.08	928,886.40			928,886.40
4	11.16	8.61	6.60	7.17	33.54	941,803.20			941,803.20
5	11.63	8.61	6.60	7.17	34.01	955,000.80			955,000.80
6	12.12	8.61	6.60	7.17	34.50	968,760.00			968,760.00
7	12.61	8.61	6.60	7.17	34.99	982,519.20			982,519.20
8	19.10	8.61	6.60	10.00	34.31	963,424.80			963,424.80
9	19.63	8.61	6.60	10.00	34.84	978,307.20			978,307.20
10	20.16	8.61	6.60	10.00	35.37	993,189.60			993,189.60

- b. Annual rent for lease years two (2) through ten (10) shall be calculated based on an increase to the Shell Rent as follows:

Schedule of Shell Rent

Year	Annual	Rate
Year 1	\$275,464.80	9.81 per RSF
Year 2:	\$287,820.00	10.25 per RSF
Year 3:	\$300,456.00	10.70 per RSF
Year 4	\$313,372.80	11.16 per RSF
Year 5	\$326,570.40	11.63 per RSF
Year 6	\$340,329.60	12.12 per RSF
Year 7	\$354,088.80	12.61 per RSF
Year 8	\$536,328.00	19.10 per RSF
Year 9	\$551,210.40	19.63 per RSF
Year 10	\$566,092.80	20.16 per RSF

- c. Annual rent for lease year one (1) shall be adjusted to account for the Broker Commission Credit per pgph. 1.13 of the SFO and shall also be adjusted based on abating the first ten (10) months of the Shell/Base Rent as follows:

- i. Broker Commission Credit (Studley Inc.): The Broker Commission Credit is established by taking [REDACTED] of the product of the Broker Commission, the Total RSF, and the Firm Term of the lease ($[REDACTED] \times ([REDACTED] / \text{RSF/Yr.} \times [REDACTED] \text{ RSF}) \times 7 \text{ years}) = [REDACTED]$). The Shell/Base rent for year one is the product of $[REDACTED] / \text{RSF/Yr.}$, and 28,080 RSF $[REDACTED] / \text{RSF/Yr.} \times 28,080 \text{ RSF} = [REDACTED] / \text{Mo.})$.

The amount of [REDACTED] for the Tenant's Broker's fee is established based upon a negotiated commission rate of [REDACTED] times the rentable square footage times the firm term of the lease. The amount of [REDACTED], which is [REDACTED] of the [REDACTED], will be deducted from the shell portion of the rent until it has been credited to the Government per paragraph 4.c.iii. The [REDACTED] balance which equates to [REDACTED] is to be paid to the broker within 30 days of lease award and paid to Studley, 15303 Dallas Parkway, Suite 1200, Addison, TX 75001.

- ii. Rent Abatement: The first ten (10) months of rent shall be abated totaling \$725,400 (\$72,540/Mo.) with the following caveat: This abatement shall be based upon the rental rate of \$31/RSF (i.e., Rental rate using the amortized TI rate only up to \$5.98/RSF (\$926,662)). The remaining TI amount of \$185,347 (\$1.19/RSF), amortized at the same terms as delineated in Pgph. 4.a., shall not be abated and payment shall commence upon lease commencement.

- iii. Gross Rent Abatement and Broker Commission Credit shall be applied to the Rent as follows

- (1) Month 1: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (2) Month 2: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (3) Month 3: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (4) Month 4: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)

- (5) Month 5: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (6) Month 6: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (7) Month 7: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (8) Month 8: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (9) Month 9: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (10) Month 10: Gross Rent Payment: \$0.00 (i.e., Gross Rent Credit \$72,540.00)
- (11) Month 11: Shell Rent Payment: \$0.00 (i.e., Shell Rent Broker Credit [REDACTED])
- (12) Month 12: Shell Rent Payment: \$0.00 (i.e., Shell Rent Broker Credit [REDACTED])
- (13) Month 13: Shell Rent Payment: \$0.00 (i.e., Shell Rent Broker Credit [REDACTED])
- (14) Month 14: Shell Rent Payment: \$0.00 (i.e., Shell Rent Broker Credit [REDACTED])
- (15) Month 15: Shell Rent Payment: \$0.00 (i.e., Shell Rent Broker Credit [REDACTED])
- (16) Month 16: Shell Rent Payment: \$0.00 (i.e., Shell Rent Broker Credit [REDACTED])

- d. There shall be no adjustments to the Operating Costs base. Paragraphs 3.6 and 3.7 of the Solicitation for Offers NO. GS-05B-17795, hereinafter referred to as SFO, are removed in their entirety per paragraph 10 of the Lease. Real estate tax adjustments shall be governed by paragraph 3.4 of the SFO and paragraph 11 below.
- e. Rent checks shall be made payable to:

NNN Congress Center, LLC
2376 Paysphere Circle
Chicago, IL 60674-0023
DUNS: 620864103
TIN: [REDACTED]

Central Contractor Registration Remittance Address:

B. With respect to the required Tenant Improvements:

- 1. The Lessor is hereby issued a Notice-to-Proceed, effective November 8, 2010, to commence construction of Tenant Improvements (TI) under GSA lease LIL17795 with the TI price based upon the best and final TI construction proposal of Turner Construction dated October 14, 2010 but to be executed by Clune Construction. The TI price is established at \$1,974,679 composed of the following:

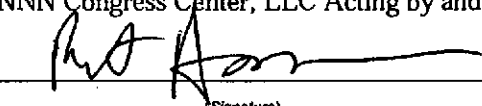
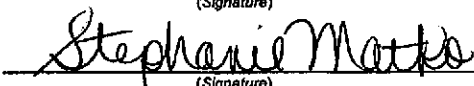
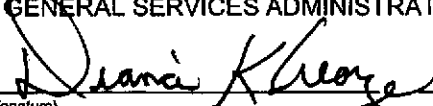
TI CONSTRUCTION COST		1,699,815
Base Construction Price Subtotal		
Additive Alternates Subtotal		
4. Stainless Steel Ductwork		
8. Clean Agent Logistics [Ink Library Fire Suppression]		
10. Install 5 televisions and 1 ceiling projector		
11. Coaxial Cable for TV Locations;		
13. Install benches in shower room)		
ARCHITECTURE-ENGINEERING-DESIGN COSTS		
LESSOR MANAGEMENT FEE (3% of above)		
TOTAL TI PRICE		\$1,974,679

- a. Tenant Security System: The tenant security system price is not included above as it will be provided directly by the Lessor at the Government's sole cost. An SLA will be issued to the Lessor upon design completion and price determination. Payment will be provided directly to the Lessor by lump sum payment per the lump sum payment procedure delineated in 7.b. below.
- 2. Basis for Notice: This notice is based upon final Design Intent Documents dated November 3, 2009 and subsequent Lessor-executed Working Construction Drawings ("Working Drawings") dated October 29, 2010 "Issued for Construction" along with the Lease collectively known as the contract documents. The Lessor affirms, and the Government believes based on recommendation from the Lessor, the working drawings address all items: 1) Required under the lease; b) As identified in the Design Intent Documents, and 3) Per subsequent discussions to render a properly completed leasehold interest for the Government's occupancy. The Lessor attests that the construction contractor has attested in writing as part of the TI proposal that they have done due diligence on the Working Drawings including on-site visits and that the proposed prices reflect the full and proper completion of all the work.

3. Changes to Work: Any changes to the scope of the TI or to the TI price must be authorized by GSA's contracting officer. Proposals for changes to the work shall contain adequate detail in order for the Government to be able to make a determination that the proposed price is fair and reasonable at minimum including but not limited to, trade involved, bare labor hours, bare labor cost per hour, materials costs, and subsequent burdens broken out by category. Additional information may be requested by the contracting officer or the designated GSA contracting officer's representative in order to support the determination of a fair and reasonable proposal.
4. Authorized Communication and Authority for Changes to Work: The parties with privity of contract, through the lease, are the Lessor and GSA. Contractual communications shall occur only between the Lessor and the GSA unless otherwise directed by the contracting officer or the designated GSA contracting officer's representative. The lease is held by GSA. Only GSA's contracting officer or the designated GSA contracting officer's representative may give direction to the Lessor. The Lessor, including the Lessor's agents, contractors, or vendors shall not take instruction directly from the tenant agency including the tenant agency's agents, contractors, or vendors without the understanding and concurrence of the GSA contracting officer or the designated GSA contracting officer's representative.
5. Fees on Changes to the Work:
- The General Contractor will be allowed a fee of 5.5 percent based only upon the subtotal (bare cost) of an approved change order and such fee shall not be based upon a subcontractor's cost burdens including but not limited to overhead, insurance, or fees, nor the Lessor's fee. The General Contractor shall not be entitled to fees on change orders to work contracted directly by or provided directly by the Lessor to the Government.
 - The Lessor will be allowed a fee of three (3) percent based only upon the subtotal (bare cost) of an approved change order and shall not be based upon the general contractor's or subcontractor's cost burdens including but not limited to overhead, insurance, or fees.
6. Technical Sufficiency: The Government is not responsible for technical sufficiency of design nor for the means or methods of construction or installation all of which are the responsibility of the Lessor to ensure through the Lessor's agents, contractors, or vendors.
7. Payment: The TI price shall be paid to the Lessor through a combination of amortization as part of the rent and by lump sum per the terms and conditions of the lease as follows:
- Rent: \$1,112,009 amortized at seven (7) percent per annum as part of the rent over the firm term of the lease (84 months).
 - Lump Sum: \$862,669. The final lump sum amount shall be paid to the Lessor in the form of a one-time lump sum payment upon commencement of the term of the lease. The Lessor shall submit a separate invoice referencing PS document number PS0018553 (RWA N1177385). Invoices may be submitted electronically at www.finance.gsa.gov/webvendors or by U.S. mail at the following address, with a copy of the invoice sent to the Contracting Officer:

GSA
PO Box 17181
Forth Worth, TX 76102-0181

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

IN WITNESS WHEREOF, the parties subscribed their names as of the above date.	
LESSOR NNN Congress Center, LLC Acting by and through Triple Net Properties Realty, Inc. ("Agent" for Lessor)	Robert Assoian Senior Vice President
BY  (Signature)	(Title)
IN PRESENCE OF  (Signature)	500 W. Monroe St., Ste. 2900 Chicago IL 60601 (Address)
UNITED STATES OF AMERICA GENERAL SERVICES ADMINISTRATION	
BY  (Signature)	Diana K. George Contracting Officer (Official Title)