

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 1	TO LEASE NO. GS-09B-02649	DATE <i>June 11, 2012</i>	PAGE 1 of 2
ADDRESS OF PREMISES 1125 16 th Street, Arcata, CA 95521			

THIS AGREEMENT, made and entered into this date by and between DB PROPERTIES, LP

whose address is: [REDACTED]

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

WHEREAS, the parties hereto desire to amend the lease to modify the rent to amortize Tenant Improvements over the remaining firm term of the lease, modify the Commission and Commission Credit accordingly and add a paragraph 22 to state cooling requirements for this historical building..

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective UPON EXECUTION BY THE GOVERNMENT, as follows:

Paragraphs 10, 16 and 21 are deleted in their entirety and the following substituted therefore:

10. RENT: The Government shall pay the Lessor annual rent, in arrears, as follows:

From 02/01/2012 through 5/31/2012, annual rent of \$31,030.27 (consisting of \$26,226.55 (\$17.58/RSF) shell rent; \$4,803.72 (\$3.22/RSF) operating costs) at the rate of \$2,585.83 per month in arrears.

From 06/01/2012 through 01/31/2017, annual rent of \$43,759.38 (consisting of \$26,226.55 (\$17.58/RSF) shell rent; \$4,803.72 (\$3.22/RSF) operating costs and \$12,729.11 (\$8.53/RSF) amortized tenant improvements at the rate of \$3,646.61 per month.

From 02/01/2017 through 01/31/2022, annual rent of \$35,311.85 (consisting of \$30,508.13 (\$20.45/RSF) shell rent; \$4,803.72 (\$3.22/RSF) operating costs) at the rate of \$2,943.00 per month in arrears.

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

DB Properties, LP c/o Michael Dunaway, Owner, [REDACTED]

Paragraph 16 is hereby deleted and replaced in its entirety:

16. Tenant Improvement Allowance: The total tenant improvement amount to be paid by the Government is \$50,551.12 which is less than the maximum tenant improvement allowance amount of \$62,782.59 permitted by the SFO for amortization into the Lease rental payments. Therefore, the total cost of the tenant improvements totaling \$50,551.12 is amortized over the remaining firm term of the lease (56 months) at an interest rate of 7.00% per year and is reflected in paragraph 10 of this SLA 01. The tenant improvements were accepted by the Government on June 1, 2012.

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

OWNER	
SIGNATURE <i>Michael Dunaway</i>	NAME OF SIGNER MICHAEL DUNAWAY
IN PRESENCE OF (SIGNATURE)	TITLE OF SIGNER OWNER
UNITED STATES OF AMERICA	
SIGNATURE <i>Sherry Shirkey</i>	NAME OF SIGNER: Sherry Shirkey
	OFFICIAL TITLE OF SIGNER LEASE CONTRACTING OFFICER

Paragraph 21 is hereby deleted and replaced in its entirety:

21. Commission and Commission Credit:

The Lessor and the Broker have agreed to a cooperating lease commission of [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 agrees to pay the Commission less the Commission Credit 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 10 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 June 1, 2012 month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:

June 1 Month's Rental Payment \$3,646.61 minus prorated Commission Credit of [REDACTED] equals [REDACTED]3 adjusted month's rent.

July 1 Month's Rental Payment \$3,646.61 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted month's rent.

For the remainder of the lease term, the amount of the rent shall be in accordance with paragraph 10 of this GSA Form 276.

22. AIR CONDITIONING: All references to "Air Conditioning" in this lease do not apply as the building is historic and not equipped for central air conditioning. No forced air cooling is available and the requirement is waived.

This lease upon execution contains the entire agreement of the parties and no prior written or oral agreement, express or implied, shall be admissible to contradict the provisions of this lease."

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

Initials: MT & SS
Lessor Government