

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 1 TO LEASE NO. GS-10B-07137 DATE 8/31/10 PAGE 1 of 2

ADDRESS OF PREMISES
Jager Professional Building, 116 South Main Street, Pendleton, OR 97801

THIS AGREEMENT, made and entered into this date by and between **JAGER DEVELOPMENT LLC**

whose address is **1305 NORTH CHERRY STREET
 LA GRANDE, OR 97850-3509**

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

WHEREAS, the parties hereto desire to commence the shell rental rate and the operating expenses and document the lease term that will change upon beneficial occupancy of the expansion space.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective July 20, 2010, as follows:

1. The Lessor hereby leases to the Government a total of 1,120 rentable square feet (RSF) of office and related space, which yields 1,000 ANSI/BOMA Office Area square feet (USF) of space at Jager Professional Building – 116 South Main Street, Pendleton, OR 97801 to be used for such purposes as determined by the General Services Administration. Included in the rent are 3 surface parking spaces for the use of Government employees and patrons. The Government has the ability if they so choose to add one more space over the term of the lease.

After completion of the tenant improvements and beneficial occupancy, a total of 3,236 rentable square feet (RSF) of office and related space, which yields 2,700 ANSI/BOMA Office Area square feet (USF) of space at Jager Professional Building – 116 South Main Street, Pendleton, OR 97801 to be used for such purposes as determined by the General Services Administration. Included in the rent are 3 surface parking spaces for the use of Government employees and patrons. The Government has the ability if they so choose to add one more space over the term of the lease.

2. **TO HAVE AND TO HOLD** the said premises and their appurtenances for the term beginning on August 1, 2010 and continuing for a period of fifteen (15) years, with a firm term of ten (10) years, subject to termination and renewal rights as may be hereinafter set forth.


3. The Government shall pay the Lessor annual shell rent as follows:

Period	Annual Shell Rent	Annual Operating	Total Annual Rent	Monthly Rent
8/1/2010 to 7/31/2015	\$14,795.20	\$3,872.85	\$18,668.05*	\$1,555.67
8/1/2015 to 7/31/2020	\$19,432.00	\$3,872.85	\$23,304.85*	\$1,942.07
8/1/2020 to 7/31/2025	\$16,340.80	\$3,872.85	\$20,213.65*	\$1,684.47

*Including 3 parking spaces at \$300.00 per space per year

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

LESSOR

SIGNATURE  NAME OF SIGNER Gary Vaughan
 ADDRESS 1305 North Cherry Street, LaGrande, OR 97850
 IN PRESENCE OF

SIGNATURE  NAME OF SIGNER
 ADDRESS 

UNITED STATES OF AMERICA

SIGNATURE  NAME OF SIGNER Michael J. O'Brien
 OFFICIAL TITLE OF SIGNER

AUTHORITY
 Previous

Upon completion of tenant improvements and acceptance of space, the full service gross rent will be adjusted to reflect the increase in square footage. The full-service rental rate will then be comprised of shell rent, operating costs defined in paragraph 10, amortization of tenant improvements defined in paragraph 8, amortization of security costs defined in paragraph 14.

All rents shall be paid monthly and in arrears.

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

JAGER DEVELOPMENT
P.O. BOX 3238
LA GRANDE, OR 97850-7238

8. In accordance with the SFO paragraph entitled Tenant Improvement Rental Adjustment, upon beneficial occupancy the Tenant Improvements in the total amount of \$128,007.00 (2,700 USF x \$47.41) shall be amortized through the remaining firm term of the lease at the rate of 8.5%.

9. Tax Adjustment: Pursuant to Paragraph 4.2, "Tax Adjustment (AUG 2008)," for purposes of tax escalation, the Government currently occupies 1,120 / 9,400 (11.91%) rentable square feet. Upon beneficial occupancy, the government will occupy occupies 3,238/9,400 (34.43%) rentable square feet. Base year taxes are established as \$0.7775/RSF. Taxes shall be increased or decreased from the base pursuant to annual adjustment per Section 4.3 of the SFO. Tax parcel number is identified as 107842.

10. In accordance with the SFO paragraph entitled Operating Costs Base, the escalation base is established at \$3.4579/RSF. Cost of Living Index adjustments will apply.

11. In accordance with SFO paragraph entitled Common Area Factor, the common area factor is established at 1.1200 (1,120 RSF / 1,000 USF). Upon beneficial occupancy, the common area factor will be 1.1985 (3,326 RSF / 2,700 USF).

14. Upon beneficial occupancy, security costs in the total amount of \$3,894.39 shall be amortized through the rent for the remaining firm term of the lease at a rate of 8.5%.

17. The Lessor and the Broker have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease. The total amount of the commission will be determined upon beneficial occupancy in a Supplemental Lease Agreement. 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 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 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 following beneficial occupancy and continue until the Government has received the commission credit in full.

All other terms and conditions remain in full force and effect.

INITIALS: _____ LESSOR _____ GOVT _____

GSA FORM 276 (REV. 9/2005) BACK