

**GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT**

SUPPLEMENTAL
AGREEMENT
NO. 1

DATE

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TO LEASE GS-08B-14655

ADDRESS OF PREMISES 101 S. Reid Street, Suite 207, Sioux Falls, SD 57103-7022

THIS AGREEMENT, made and entered into this date by and between Lumber Exchange, LLC

whose address is: LUMBER EXCHANGE, LLC
101 S. REID STREET, SUITE 201
SIOUX FALLS, SD 57103-7022

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

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

Supplemental Lease Agreement No. 1 is hereby prepared to establish beneficial occupancy, amend the rentable and ABOA square footages, amend the subsequent rental paragraphs and commission credit paragraphs.

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:

LEASE TERM and Paragraphs 1.01, 1.03A, 1.04, 1.05, 1.11, and 1.12 are deleted in their entirety and replaced with the paragraphs below.

LEASE TERM

To Have and To Hold the said Premises with their appurtenances for the term beginning **November 21, 2012** and continuing for a period of

15 Years, 10 Years Firm

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

1.01 THE PREMISES (AUG 2011)

The Premises are described as follows:

Office and Related Space: 3,031.05 rentable square feet (RSF), yielding 2,505 ANSI/BOMA Office Area (ABOA) square feet of office and related space, as well as 1 reserved structured parking space located on site. Space is based upon a Common Area Factor of 1.21%, and shall be located on the 2nd floor(s) and known as Suite(s) 207, of the Building, as depicted on the floor plan(s) attached hereto as Exhibit A-1.

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

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

LESSOR: Lu
BY _____
IN THE PRESE

Member
(title)
101 S. Reid St. Suite 201
(address)

UN
E

(signature)

Michael A. Gawell
CONTRACTING OFFICER
(Title)

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 rates³:

	YEARS 1-10		YEARS 11-15	
	ANNUAL RENT	ANNUAL RATE/RSF	ANNUAL RENT	ANNUAL RATE/RSF
SHELL RENT	\$58,030.83	\$19.14	\$69,723.64	\$23.00
TENANT IMPROVEMENTS RENT ¹	\$12,352.70	\$4.08	\$0.00	\$0.00
OPERATING COSTS	\$18,085.88	\$5.97	\$18,085.88	\$5.97
BUILDING SPECIFIC SECURITY ²	\$2,045.94	\$0.67	\$0.00	\$0.00
TOTAL ANNUAL RENT	\$90,515.35	\$29.86	\$87,809.52	\$28.97

¹The Tenant Improvements Allowance of \$94,851.82 is amortized at a rate of 5.5 percent per annum over 10 years, commencing on November 21, 2012 and final payment shall be on November 20, 2022.

²Building Specific Security Costs of \$15,710.00 are amortized at a rate of 5.5 percent per annum over 10 years, commencing on November 21, 2012 and final payment shall be on November 20, 2022.

³Rates may be rounded.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (AUG 2011)

A. UGL SERVICES EQUIS OPERATIONS CO. ("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 UGL SERVICES EQUIS OPERATIONS CO. 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 One (First Full Month) Rental Payment \$7,542.95 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1st Month's Rent.

Month Two Rental Payment \$7,542.95 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2nd Month's Rent.

Month Three Rental Payment \$7,542.95 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3rd Month's Rent.

Month Four Rental Payment \$7,542.95 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 4th Month's Rent.

Month Five Rental Payment \$7,542.95 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 5th Month's Rent.

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in parts, at any time effective after **November 20, 2022** by providing not less than **90 days'** prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 2011)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" clause of this Lease is **2.45 percent**. The percentage of occupancy is derived by dividing the total Government space of 3,031.05 RSF by the total building space of 123,701 rentable square feet.

The real estate tax base, shall be established as defined in Paragraph 2.06 B.7 the "Real Estate Tax Adjustment/Real estate tax base" clause of the Lease.

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

Lessor: _____

Government: _____

1.12 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment Included in Offer" that the Lessor's base rate for operating costs shall be \$5.97 per rentable sq. ft (\$18,085.88/annum).

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

Lessor:  Government: 