

SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL LEASE AGREEMENT NO. 1	TO LEASE NO. GS-10B-07224	DATE June 9, 2011	PAGE 1 of 3
ADDRESS OF PREMISES 5200 Industrial Way, Ferndale, WA 98248		BLDG. NO. WA8027	

THIS AGREEMENT, made and entered into this date by and between SYB HOLDING CO., INC.

whose address is 1440 ADMIRAL PLACE
FERNDAL, WASHINGTON 98248-8965

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 1) document inclusion of all cabling to be paid as a Tenant Improvement, 2) clarify shell rate for renewal options and 3) to increase the amount of the Lessor amortized Tenant Improvement Allowance under the Lease.

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended effective May 13, 2011. As a result, **Paragraphs 3, 5, 8 and 16 of the SF-2 and Paragraphs 8.13 A. and 8.14 A.2 of the SFO**, which are attached to and made part of this Lease, are hereby deleted in their entirety and replaced with the following:

3. The Government shall pay the Lessor annual rent per the table below, per month in arrears.

Rent Period ¹	Shell Rent	Operating Rent ²	Tenant Improvement Costs ³	Total Annual Rent	Monthly Rent Payment
09/01/11 – 08/31/12	\$95,925.00	\$36,375.00	\$78,334.02	\$210,634.02	\$17,552.84
09/01/12 – 08/31/13	\$98,775.00	\$36,375.00	\$78,334.02	\$213,484.02	\$17,790.34
09/01/13 – 08/31/14	\$101,775.00	\$36,375.00	\$78,334.02	\$216,484.02	\$18,040.34
09/01/14 – 08/31/15	\$104,850.00	\$36,375.00	\$78,334.02	\$219,559.02	\$18,296.59
09/01/15 – 08/31/16	\$108,000.00	\$36,375.00	\$78,334.02	\$222,709.02	\$18,559.09

¹ Dates specified above may be adjusted subject to Beneficial Occupancy. Rent for the period of 09/01/11 through 11/30/11 is adjusted pursuant to Paragraph 16 below.

² Base Operating Rent subject to adjustments in accordance with paragraph 11 of this SF-2.

³ Tenant Improvement Costs in accordance with paragraph 8 of this SF-2.

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

SYB HOLDING CO., INC.
PO BOX 189
FERNDAL, WASHINGTON 98248-0189

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

LESSOR	
SIGNATURE 	NAME OF SIGNER M. B. Boulos
ADDRESS 1440 ADMIRAL PL Ferndale, wa 98248	DATE 6/01/11

IN PRESENCE OF	
SIGNATURE MICHAEL KOHL	NAME OF SIGNER MICHAEL KOHL 6/01/11
ADDRESS [REDACTED]	

UNITED STATES OF AMERICA	
SIGNATURE 	NAME OF SIGNER TERRIA HEINLEIN
	OFFICIAL TITLE OF SIGNER CONTRACTING OFFICER

5. This lease may be renewed at the option of the Government, for up to two 5-year renewal option periods, at the following shell rates:

<u>Annual Rent</u>	<u>Option Year</u>	<u>Annual Rent</u>	<u>Option Year</u>
<i>First Renewal Option (Years 6-10)</i>		<i>Second Renewal Option (Years 11-15)</i>	
[REDACTED]			

provided notice be given in writing to the Lessor at least 120 days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing. Operating rent for each option period will be the original operating rent base plus all accrued adjustments and are subject to continued adjustments in accordance with paragraph 9 of the SF-2. The tax base for each option period remains the unchanged and is subject to continued adjustments in accordance with paragraph 11 of the SF-2.

8. In accordance with the SFO paragraph 3.2 entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$321,942.60 (7,500 ABOA SF x \$42.925680) shall be amortized through the rent for 5 years at the rate of 8%. The total annual cost of Tenant Improvements for the amortization period shall be \$78,334.02.

16. Adjusted monthly rent payments (application of commission credit):

The commission credit shall be applied in equal monthly amounts against the shell rental payments over the minimum number of months that will not exceed the monthly shell rental per SFO subparagraph 2.4 B. The monthly rent is \$17,552.84. The monthly shell rent is \$7,993.75. The GSA commission credit is [REDACTED] and is calculated as follows:

Total Commission:	Gross Rent	Yr 1 = \$210,634.02
		Yr 2 = \$213,484.02
		Yr 3 = \$216,484.02
		Yr 4 = \$219,559.02
		Yr 5 = \$222,709.02
		\$1,082,870.10

GSA Rent Credit: [REDACTED]

Studley/LaBonde Commission: [REDACTED]

The monthly rent payments adjusted for the commission credit are as follows:

<u>Rent Period</u>	<u>Scheduled Monthly Rent</u>	<u>Scheduled Mo. Shell Rent</u>	<u>Commission Credit</u>	<u>Commission Credit Remaining</u>	<u>Adjusted Monthly Rent Payment</u>
09/01/11 – 09/30/11	\$17,552.84	\$7,993.75	[REDACTED]	[REDACTED]	[REDACTED]
10/01/11 – 10/31/11	\$17,552.84	\$7,993.75	[REDACTED]	[REDACTED]	[REDACTED]
11/01/11 – 11/30/11	\$17,552.84	\$7,993.75	[REDACTED]	[REDACTED]	[REDACTED]
12/01/11 – 12/31/11	\$17,552.84	\$7,993.75	[REDACTED]	[REDACTED]	[REDACTED]

SFO SECTIONS:

8.13 DATA DISTRIBUTION (AUG 2008)

A. TENANT IMPROVEMENT INFORMATION:

The Lessor shall be responsible for purchasing and installing data cable as part of the Tenant Improvement Allowance. The Lessor shall safely conceal data outlets and the associated wiring used to transmit data to workstations in floor ducts, walls, columns, or below access flooring. The Lessor shall provide outlets as part of the Tenant Improvement Allowance, which shall include rings and pull strings to facilitate the installation of the data cable. When cable consists of multiple runs, the Lessor shall provide ladder-type or other acceptable cable trays to prevent Government-provided cable coming into contact with suspended ceilings or sprinkler piping. Cable trays shall form a loop around the perimeter of the Government-demised area such that they are within a 30-foot horizontal distance of any single drop.

8.14 ELECTRICAL, TELEPHONE, DATA FOR SYSTEMS FURNITURE (AUG 2008)

A. TENANT IMPROVEMENT INFORMATION:

2. The Lessor shall be responsible for purchasing data and telecommunications cable as part of the Tenant Improvement Allowance. Said cable shall be installed and connected to systems furniture by the Lessor/contractor with the assistance and/or advice of the Government or computer vendor. The Lessor shall provide wall-mounted data and telephone junction boxes, which shall include rings and pull strings to facilitate the installation of the data and telecommunications cable. When cable consists of multiple runs, the Lessor shall provide ladder-type or other acceptable cable trays to prevent Government-provided cable coming into contact with suspended ceilings or sprinkler piping. Cable trays shall form a loop around the perimeter of the Government-demised area such that they are within a 30-foot horizontal distance of any single drop. Said cable trays shall provide access to both telecommunications data closets and telephone closets.

See Attached – U.S. Customs and Border Protection, Voice Data Communications Room Requirements, Release Version 3.0, dated June 2009, 14 pages.

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

INITIALS:  LESSOR
GOVT