

GENERAL SERVICES ADMINISTRATION
PUBLIC BUILDINGS SERVICE
SUPPLEMENTAL LEASE AGREEMENT

SUPPLEMENTAL AGREEMENT
NO. 1

DATE

2-10-11

TO LEASE NO.
GS-04B-50088

ADDRESS OF PREMISES

44 Buck Shoals Road, Suite A-2, Arden, NC 28704-3385

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

whose address is Buck Shoals Partners, LLC
2 Walden Ridge Drive, Suite 70
Asheville, NC 28803-8598

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

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 as of February 15, 2011, as follows:

This Supplemental Lease Agreement (SLA) No. 1 serves to provide beneficial occupancy.

1. This SLA NO. 1 hereby provides beneficial occupancy as of February 15, 2011, and the Government accepts the tenant improvements for the lease space.
2. This SLA NO. 1 hereby reconciles the tenant improvement costs.

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.

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LESSOR Buck Shoals Partners, LLC

BY

member/manager
17 Shackleford Dr
Asheville, NC 28806
(Address)

UNITED STATES OF AMERICA

BY

Lease Contracting Officer
(Official Title)

Paragraph 2 is hereby deleted in its entirety and replaced with the following:

"2. TO HAVE AND TO HOLD the said premises with their appurtenances for Ten (10) Years, Five (5) Years firm term to begin February 15, 2011. The Government may terminate this lease, in whole or in part, at any time on or after February 14, 2016, by giving the Lessor at least sixty (60) days notice in writing. No rent shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the day of mailing."

Paragraph 3 is hereby deleted in its entirety and replaced with the following:

"3. The Government shall pay the Lessor annual rent for the entire term, monthly, in arrears, as follows:

<u>TERM</u>	<u>ANNUAL RENT</u>	<u>MONTHLY RENT</u>	<u>RATE/RSF</u>	<u>RATE/USF</u>
2/15/2011 - 2/14/2016	\$76,707.17	\$6,392.26	\$21.31	\$21.74
2/15/2016 - 2/14/2021	\$51,336.00	\$4,278.00	\$14.26	\$14.55

The above annual rent is inclusive of the annual operating rental rate indicated in Paragraph 7 of this lease contract."

Paragraph 21 is hereby deleted in its entirety and replaced with the following:

"21. In accordance with the Solicitation for Offers 7NC2016, paragraph 2.3 the lessor and the broker have agreed to a SFO cooperating lease commission of [redacted] of the firm term value of this lease. The total amount of the commission is [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] per month rounded, for three (3) months of the lease. The lessor agrees to pay the commission less the commission credit, [redacted], to the broker in accordance with the "broker commission and commission credit" paragraph 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 of the rental payments and continue as indicated in this schedule for adjusted monthly rent:

First month's rental payment \$6,392.26 minus prorated commission credit of [redacted] equals [redacted] adjusted first month's rent;
Second month's rental payment \$6,392.26 minus prorated commission credit [redacted] equals [redacted] adjusted first month's rent;
Third month's rental payment \$6,392.26 minus prorated commission credit of [redacted] equals [redacted] adjusted first month's rent;"

Paragraph 22 is hereby added:

"22. The Tenant Improvement budget approved on November 3, 2010 in the amount of \$108,699.00 is reconciled with no additional expenses during construction. The full amount of \$108,699.00 is amortized into the lease at the rate of 6.25% of five (5) years or \$7.4195 per RSF or \$7.5688 per OASF. Adjustment has been made to the total rent paid during the firm term of the lease to reflect a lower amortized tenant allowance value."

INITIALS: WPH & WPH
LESSOR GOVT