

Response to Offer dated May 22, 2012

Dear Nathan:

Please find herein below some minor modifications to your May 18, 2012 Offer

The Partnership: The Unkefers will enter into a mutually beneficial Limited Liability Partnership Agreement, or a LLC consisting of a 50% ownership interest by Unkefer-Jeka LLC (Unkefer) and a 50% owners interest by the Principals of SparkFun (SparkFun Partnership). Exact agreement shall be subject to review and revision by the respective counsel of each party.

4.3

Partner Contribution: "Unkefer" will contribute +/-187,560 square feet of land at a value of \$9.00 per square foot. SparkFun will contribute \$1,500,000.00 in cash, with a commitment from SparkFun to a lease for a building to be constructed for SparkFun. Jointly defined as (Landlord)

120

First right & option: "Tenant" shall have an option to enter into a lease for the remaining land under a first right of refusal to "Unkefer". This option shall commence concurrently with the Certificate of Occupancy for the SparkFun Building. The option to lease the land shall be based on a starting value of \$10 per square foot and escalates annually by the same escalators used for the SparkFun Building. Land lease shall only initiate when a qualified offer on land has been received by "Unkefer". Further, "Tenant" shall have 21 days in which to respond in writing, either exercising option to lease or extinguishing said option.

14 is 6th

— The Land Lease shall have an annualized interest rate of 8% based on the then current valuation. This option to Lease shall expire at the end of the sixth (6th) year from the date of receipt of Certificate of Occupancy of the primary building. Further, said land shall be contributed with a matching cash contribution from "SparkFun Principals" to either another building or expansion to existing building on or before the 6th anniversary of the Certificate of Occupancy for the primary Sparkfun Headquarters mentioned herein.

What is the lease rate?

Timing of cash contributions?

The Building:

The Building to be constructed will be approximately 80,000 square feet of Office, Assembly, Manufacturing, Warehouse, and Distribution. The basic design will be a two-story concrete, tilt-up building. The general design of the building will allow for future expansion for SparkFun. The design of the building, along with the Replat of Lot 2 Block 1, Replat D Boulder Tech Center, into 2 separate lots shall be the responsibility of Andrew Unkefer, Multiprop, Inc - Development Division (Developer). Andrew will work jointly with Boulder County, The General Contractor, The Architect, Engineers, and a representative to be designated by SparkFun.

plans to bid in
2 months
break in
6-7 months

Bob Empe

It cannot be overemphasized that in order to accomplish the stated timeline, work must begin as soon possible on architectural design and engineering.

Upon written agreement between "SparkFun Partnership" and "Unkefer" concerning the joint Landlord Entity and upon the mutual written agreement to a lease between "Landlord" and SparkFun (Tenant), "Unkefer" will contribute approximately +/- 187,560 square feet of land to the "Landlord" and concurrently, "SparkFun Partnership" will contribute \$1,500,000 to "Landlord".

Lease Rate

\$5.75/square foot NNN

\$3
TT
460 + NNN + ~~320~~
240 ~~160~~ 203

Escalation

The base lease rate shall escalate by 3% on each annual anniversary, for the first five years. For the remainder of the term of the lease the annual net rental rate shall increase between a minimum 2% and a maximum 5% (as shown on the Denver All Urban Consumer Price Index).

Landlord Improvements

Landlord shall deliver the building in a basic "core and shell" condition with all HVAC and drops complete. Distribution and any specialty systems (for example server rooms) would be part of Tenant Improvements. Tenant will dictate the design and layout of the interior finish and systems, which they would like to be installed. Tenant will work with the assistance of the developer during this process. Landlord will pay for the Tenant improvement (not to exceed a cost of \$1,600,000) and add the Tenant Improvement cost to a loan secured by the property over an amortization term of 10 years, with interest at the rate charged by Lender (predicted to be 5%). The Tenant will pay such loan cost as an additional Base Rent,

\$20

Right to buy?

coincident with the term of 10 years. After this Tenant Improvement loan is paid off by Tenant (even if it is paid off early by the Tenant) said additional Tenant Payment for Tenant Improvements shall be terminated. Tenant shall be solely responsible for the repayment of the TI allowance.

Brokerage
Disclosure

Add the following to this Section; Please note that Multiprop Inc. is a licensed Real Estate Broker licensed in Colorado and is the Seller's Agent. Further, this Counter Offer does not constitute a contract. Only a fully executed contract shall constitute an agreement between the associated parties.