

**LEASE NO. GS-08P-14735**

Simplified Lease  
GSA FORM L201A (October 2012)

This Lease is made and entered into between

**Capital Building 2 Bismarck, LLC**

(Lessor), whose principal place of business address is 4503 N. Coleman Street, Bismarck, ND 58503 and whose Interest in the Property described herein is that of Fee Owner, and

The United States of America

(Government\*), acting by and through the designated representative of the General Services Administration (GSA), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

**4503 Coleman Street N.  
Bismarck, ND 58503**

and more fully described in Section 1 and Exhibit A, together with rights to the use of parking and other areas as set forth herein, to be used for such purposes as determined by GSA.

**LEASE TERM**

To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises as required by this Lease and continuing for a period of

**10 Years, 5 Years Firm,**

subject to termination and renewal rights as may be hereinafter set forth. The commencement date of this Lease, estimated to be August 1, 2013, along with any applicable termination and renewal rights, shall be more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

[Redacted Signature]

[Redacted Signature]

Name: [Redacted]  
Title: Vice President  
Entity Name: Capital Building 2, Bismarck LLC

Name: Alex M. Secor  
Title: Lease Contracting Officer  
General Services Administration, Public Buildings Service

Date: July 25, 2013

Date: July 30, 2013

WITNESSETH FOR THE LESSOR BY  
[Redacted Signature]

Name: Kenny DORRETT  
Title: BROKER/AGENT  
Date: 07/25/13

The information collection requirements contained in this Solicitation/Contract, that are not required by the regulation, have been approved by the Office of Management and Budget pursuant to the Paperwork Reduction Act and assigned the OMB Control No. 3090-0163.

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**SECTION 1 THE PREMISES, RENT, AND OTHER TERMS**

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**1.01 THE PREMISES (SIMPLIFIED) (AUG 2011)**

The Premises are as described under Exhibit A, Proposal to Lease Space, GSA Form 1364A.

**1.02 EXPRESS APPURTENANT RIGHTS (SIMPLIFIED) (JUN 2012)**

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Rules and Regulations Governing Conduct on Federal Property, Title 41, CFR, Part 102-74, Subpart C, within such areas. The Government will coordinate with Lessor to ensure signage is consistent with Lessor's standards. Appurtenant to the Premises and included in the Lease are rights to use parking as described under Block 16 of Exhibit A, Simplified Lease Proposal, GSA Form 1364A. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.

**1.03 RENTAL CONSIDERATION FOR SIMPLIFIED LEASES (JUN 2012)**

In consideration for the Lease, the grant of all associated rights, express or implied, and the performance or satisfaction of all of the Lessor's other obligations set forth herein, the Government shall pay the Lessor annual rent to be computed using the rental rate(s) specified on Exhibit A, GSA Form 1364A and the actual ANSI BOMA Office Area (ABOA) delivered for occupancy and use by the Government, not to exceed the maximum ABOA solicited by the Government. Payment shall be made monthly in arrears. Rent for a lesser period shall be prorated. Rent shall be paid by Electronic Funds Transfer to an account to be designated by Lessor. Rent shall be inclusive of all costs incurred by the Lessor for the construction of Building shell and Tenant Improvements (TIs) specified in the Lease, including those described on Exhibit A, GSA Form 1364A and the Agency Specific Requirements (ASR) attached hereto, all taxes of any kind, and all operating costs. Unless a separate rate is specified on Exhibit A, GSA Form 1364A, rights to parking areas will be deemed included in the rent.

**1.04 BROKER COMMISSION AND COMMISSION CREDIT (JUN 2012)**

A. **Studley, Inc. (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 **Studley, Inc.** 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 1 Rental Payment \$5,932.13 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 1<sup>st</sup> Month's Rent.\*

Month 2 Rental Payment \$5,932.13 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 2<sup>nd</sup> Month's Rent.\*

Month 3 Rental Payment \$5,932.13 minus prorated Commission Credit of [REDACTED] equals [REDACTED] adjusted 3<sup>rd</sup> Month's Rent.\*

\* Subject to change based on adjustments outlined under the paragraph "Rental Consideration for Simplified Leases."

**1.05 TERMINATION RIGHTS (SIMPLIFIED) (JUN 2012)**

The Government may terminate this Lease, in whole or in part, after the Firm Term of this Lease 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. The Government must provide termination notice no later than 120 days after the last day of the Firm Term.

**1.06 RENEWAL RIGHTS (SIMPLIFIED) (APR 2014) - INTENTIONALLY DELETED****1.07 DOCUMENTS INCORPORATED IN THE LEASE (SIMPLIFIED) (SEP 2012)**

The following documents are as attached to and made part of the Lease:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
Simplified Lease Proposal (GSA Form 1364A)	7	A
Agency Specific Requirements, Dated <b>November 6, 2012</b>	18	B
Security Requirements	4	C
Representations and Certifications (GSA Form 3518A)	7	D
Floor Plan Delineating the Premises	1	E

**1.08 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT (SIMPLIFIED) (SEPT 2011)**

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the Real Estate Tax Adjustment paragraph of this Lease is 8.49755 percent. The negotiated Real Estate Tax Base, as defined in the "Real Estate Tax Adjustment" paragraph of the Lease is \$81,200.00.

**1.09 OPERATING COST BASE (AUG 2011)**

The parties agree that for the purpose of applying the paragraph titled "Operating Costs Adjustment" that the Lessor's base rate for operating costs shall be \$9,633.93/annum.

**1.10 ADDITIONAL BUILDING IMPROVEMENTS (SEP 2012)**

The Lessor shall complete the following additional Building improvements prior to acceptance of the Space:

- A. Energy Efficiency items as identified on Exhibit A.

**1.11 HUBZONE SMALL BUSINESS CONCERNS ADDITIONAL PERFORMANCE REQUIREMENTS (MAR 2012)**

If the Lessor is a qualified HUBZone small business concern (SBC) that did not waive the price evaluation preference then as required by 13 C.F.R. 126.700, the HUBZone SBC must spend at least 50% of the cost of the contract incurred for personnel on its own employees or employees of other qualified HUBZone SBC's and must meet the performance of the work requirements for subcontracting in 13 C.F.R. § 125.6(c). If the Lessor is a HUBZone joint venture, the aggregate of the qualified HUBZone SBC's to the joint venture, not each concern separately, must perform the applicable percentage of work required by this clause.

If the Lessor is a HUBZone small business concern (SBC) that did not waive the price evaluation preference, the Lessor shall provide a certification within 10 days after Lease award to the LCO (or representative designated by the LCO) that the Lessor was an eligible HUBZone SBC on the date of award. If it is determined within 20 days after award that a HUBZone SBC Offeror that has been awarded the Lease was not an eligible HUBZone SBC at the time of award, and the HUBZone SBC Lessor failed to provide the LCO with information regarding a change to its HUBZone eligibility prior to award, then the Lease shall be subject, at the LCO's discretion, to termination, and the Government will be relieved of all obligations to the Lessor in such an event and not be liable to the Lessor for any costs, claims, or damages of any nature whatsoever.