

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY**

DATE OF LEASE 12/17/2010 LEASE NO. LSD14396

THIS LEASE, made and entered into this date by and between TOBIN CONSTRUCTION

whose address is 4327 Sandwedge Dr  
Pierre, SD 57501-3110

and whose interest in the property hereinafter described is that of **OWNER**

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

WITNESSETH: The parties hereto for the considerations hereinafter mentioned, covenant and agree as follows:

- The Lessor hereby leases to the Government the following described premises:

A total of 4,638 rentable square feet (RSF) of office and related space, which yields 4,033 ANSI/BOMA Office Area square feet (USF) of space on the first floor of the building located at Sibley Building, 116 E Dakota, Pierre, SD 57501-3110 to be used for such purposes as determined by the General Services Administration. Included in the rent at no additional cost to the Government are four (4) parking spaces for the exclusive use of Government employees and patrons.

- TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on the date the Government accepts the premises as substantially complete and continuing for ten (10) years, subject to termination and renewal rights as may be hereinafter set forth. The Lessor shall deliver the premises to the Government substantially complete no later than twenty (20) working days subsequent to the Government's approval of design intent drawings.

- The Government shall pay the Lessor monthly in arrears in accordance with the following table:

| Year   | Shell        | Real Estate Taxes | Base Cost of Services | Tenant Improvement Allowance | Building Specific Security Costs | Total Annual Rent |
|--------|--------------|-------------------|-----------------------|------------------------------|----------------------------------|-------------------|
| 1 - 5  | \$ 45,508.47 | \$ 8,206.28       | \$ 22,024.00          | \$ 1,879.57                  | \$ 541.68                        | \$ 78,160.00      |
| 6 - 10 | \$ 45,508.47 | \$ 8,206.28       | \$ 22,024.00          | \$ -                         | \$ -                             | \$ 75,738.75      |

Rent shall be adjusted in accordance with the provisions of the Solicitation for Offers and General Clauses. Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

Richard A. Tobin  
Tobin Construction  
4327 Sandwedge Drive  
Pierre, SD 57501-3110

- The Government may terminate this lease in whole or in part at any time after the fifth (5<sup>th</sup>) year by giving at least ninety (90) days' notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

SIGNATURE [Redacted] NAME OF SIGNER RICHARD A. TOBIN

ADDRESS 4327 SANDWEDGE DR PIERRE, SD DAK 57501-3110

[Redacted] NAME OF SIGNER Kay Tobin  
**UNITED STATES OF AMERICA**

SIGNATURE [Redacted] NAME OF SIGNER BRENDA J.P. McWHEE  
OFFICIAL TITLE OF SIGNER **CONTRACTING OFFICER**

- 5. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
  - A. The four (4) parking spaces described in Paragraph 1 and parking spaces required by local code.
  - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease and the Government's final construction drawings; provided that the Government shall make payments for lump sum items identified in the attachment sheets in the amounts specified therein. Rent is subject to adjustment in accordance with Paragraph 3.3, "Tenant Improvement Rental Adjustment" of the SFO. All cost associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by the Solicitation For Offers No. 8SD2011 and its attachments.
  - C. Adequate space for telecommunications antennae and transmission devices in accordance with Paragraph entitled, "Telecommunications: Local Exchange Access," of the Solicitation for Offers.
- 6. The following are attached and made a part hereof:
  - A. Solicitation for Offers 8SD2011 dated 12/14/2009;
  - B. Amendment 1 to SFO 8SD2011, dated 3/4/2010;
  - C. Amendment 2 to SFO 8SD2011, dated 7/20/2010;
  - D. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
  - E. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
  - F. Exhibit A – Base Plans (electronic CAD to be provided upon completion of tenant improvements)
- 7. Rent includes a Tenant Improvement Allowance of \$8,300.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 5.00%. In accordance with SFO paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
- 8. Rent includes Building Specific Security Costs of \$2,392.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 5.00%.
- 9. In accordance with SFO paragraph 2.4, *Broker Commission and Commission Credit*, CB Richard Ellis, Inc. ("CBRE") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and CBRE have agreed to a cooperating lease commission of [redacted] of the firm term value of this lease ("Commission"). The total amount of the Commission is [redacted]. The Commission shall be earned upon lease execution as defined in the SFO. Lessor and Broker have agreed that [redacted] or [redacted] [redacted] of the Commission shall be applied to the benefit of the Tenant in the Lease as a credit to the shell rent, as required in the SFO ("Commission Credit"), and the remaining [redacted] or [redacted] of the Commission shall be paid directly to the Broker ("Broker Commission"). The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured. Beginning in the seventh (7<sup>th</sup>) month of the Lease and upon completion of the Commission Credit payment, the Broker Commission shall be paid in twelve (12) equal monthly installments. The total payment schedule for the Commission Credit and Broker Commission shall be eighteen (18) months.

First month's rental payment of \$6,513.33 minus the prorated commission credit of [redacted] equals [redacted] (adjusted first month's rent).

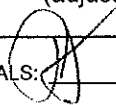
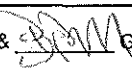
Second month's rental payment of \$6,513.33 minus the prorated commission credit of [redacted] equals [redacted] (adjusted second month's rent).

Third month's rental of \$6,513.33 minus the prorated commission credit of [redacted] equals [redacted] (adjusted third month's rent).

Fourth month's rental of \$6,513.33 minus the prorated commission credit of [redacted] equals [redacted] (adjusted fourth month's rent).

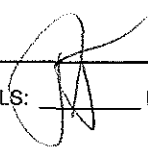
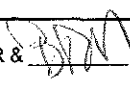
Fifth month's rental of \$6,513.33 minus the prorated commission credit of [redacted] equals [redacted] (adjusted fifth month's rent).

Sixth month's rental of \$6,513.33 minus the prorated commission credit of [redacted] equals [redacted] (adjusted sixth month's rent).


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10. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.15 (4,638 RSF / 4,033 USF).
11. In accordance with SFO paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 81.57%. The real estate tax base will be \$10,060.42 ( $\$10,060.42 \times 81.57\% = \$8,206.28$ ).
12. In accordance with SFO paragraph 4.3, *Operating Costs Base*, the escalation base is established as \$22,024.00 per annum.
13. In accordance with SFO paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$0.80/USF for vacant space (rental reduction).
14. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$0.01 per ANSI/ABOA per hour (approximately \$40.33 per hour) beyond the normal hours of operation of 7:00 AM to 5:00 PM. Areas requiring 24/7 HVAC will be provided at \$0.25 per ANSI/ABOA per hour.
15. Cleaning services requiring access to the Government's leased space shall be performed in accordance with SFO paragraph 4.8, *Janitorial Services*.
16. In accordance with SFO paragraph 5.10, as modified by SFO Amendment #2, *Floor Plans after Occupancy*, the Lessor shall provide an electronic copy of CAD as built drawings on CD-ROM to the contracting officer within thirty (30) calendar days of completion of construction.
17. The Lessor hereby forever and unconditionally waives any right to make a claim against the Government for restoration arising from alteration or removal of any alteration by the Government during the term of this lease or any extensions. Alterations completed by either the Government or Lessor including initial build out of the lease space and/or any subsequent modifications required during the lease period. At the Government's sole discretion alterations will remain in the leased space after termination of the Lease contract and will become property of the Lessor.
18. Wherever the words "offeror" or "successful offeror" appear in this Lease, they shall be deemed to mean "Lessor"; wherever the words "solicitation", "solicitation for offers", or "SFO" appear in this lease, they shall be deemed to mean "this lease"; wherever the words "space offered for lease" appear in this lease, they shall be deemed to mean "leased premises."
19. If, during the term of this lease including extensions, title to this property is transferred to another party either by sale, foreclosure, condemnation or other transaction, the Lessor (transferor) shall promptly notify the Contracting Officer of said transfer. The following information shall accompany this notification:
  - A. A certified copy of the deed transferring title to the property from the Lessor to the new owner.
  - B. A letter from the new owner assuming, approving, and agreeing to be bound by the terms of this lease.
  - C. A letter from the Lessor waiving all rights under this Lease against the Government up to the effective date of the transfer.
  - D. The new owner's tax identification number (TIN#) or social security number.
  - E. The new owner's DUNS#
  - F. The new owner's full legal name. If a corporation, indicate the state of incorporation. If a partnership, list all parties fully. If a limited partnership, list all general partners and identify under the laws of which state the limited partnership is created. If a realty trust, give names of all trustees and the recording date of the trust.
  - G. A Novation Agreement.
  - H. The new owner must provide a new GSA Form 3518.

The foregoing information must be received by the fifteenth day of the month in which the transfer of title will be affected. The rent for that month, adjusted in accordance with the effective date of the transfer will be processed to the Lessor. Initial rental payment, including the applicable portion of rent for the month during which the transfer occurred, to the new owner will be processed on the first day of the month following the transfer of title. If the notification of transfer and related information is not received until the sixteenth day of the month (or later), in which the transfer of title will be affected, the full contract rental for that month will be forwarded to the Lessor. In any instance, failure to submit the documentation required for transfer of title will result in a stop payment of rent until such time as all documentation is received by the Contracting Officer.

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20. The Lessor shall not enter into negotiations concerning the space leased or to be leased with representatives of federal agencies other than the officers or employees of the U.S. General Services Administration or personnel authorized by the Contracting Officer.
21. Within 5 days of lease occupancy, the Lessor shall provide the tenant agency representative (with a copy forwarded to the GSA Government Representative), on site, a copy of the name and phone number of maintenance personnel in order that any cleaning, maintenance, janitorial, etc. problems can be taken care of immediately.
22. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.
23. Window glazing shall be provided by the Lessor in accordance with SFO paragraph 10.16, [REDACTED] Protection Requirements. The cost is included in the shell rate.
24. The Lessor is a Sole Proprietor and a small business. The Tax Identification Number is [REDACTED]. The DUNS number is 116644233. The signatory authority for Lessor is Richard A. Tobin.
25. The Tenant Improvement Fee Schedule is as follows and Lessor agrees not to exceed these figures:
  - A. The General Conditions will not exceed 7.00% of the total subcontractor's costs.
  - B. The General Contractors fee will not exceed 3.00%% of the total subcontractor's costs.
  - C. Architectural and Engineering fees will not exceed \$500.00.
  - D. Lessor's Project Management fees will not exceed 3.00% of the total subcontractor's costs.
26. Upon partial release of space for lease LSD13280, the Lessor agrees to separate and demise the Government's space, in accordance with the agreed upon scope and cost, which shall include a storage room of approximately 184 ANSI/BOMA office square feet.
27. The Lessor shall insulate and re-route the down spouts from the roof at no cost to the Government.
28. The Lessor shall repair/replace the broken tiles in the men's restroom at no cost to the Government.
29. The Lessor shall remove all wallpaper in the reception and office areas and replace with paint, in accordance with SFO Paragraph 7.12, *Painting*, and at no cost to the Government. If cleaning of the conference room wallpaper sufficiently removes all stains and black marks, GSA shall allow the conference room to remain in place.

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