

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO. LSD14398

THIS LEASE, made and entered into this date by and between **LGK DEVELOPMENT, LLC**

Whose address is **3200 CARBON PL APT S211
BOULDER, CO 80301-6119**

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:

1. The Lessor hereby leases to the Government the following described premises:

A total of 10,637 rentable square feet (RSF) of office and related space, which yields 9,250 ANSI/BOMA Office Area square feet (USF) of space in a building to be constructed at 1.7 acre parcel located at 330 E Stumer Road, Rapid City, SD 57701-8215, 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 92 surface parking spaces, 22 of these parking spaces to include two (2) 9' X 12' sheds and two (2) ATV's shall be enclosed within the securely fenced ware yard for the exclusive use of Government employees and patrons.

2. **TO HAVE AND TO HOLD** the Premises with their appurtenances for the term beginning on the day the space is accepted by the Government as complete and ready for occupancy through the following 10 (ten) year term in accordance with the Paragraph entitled "Acceptance of Space" herein, subject to termination rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$342,825.58 at the rate of \$28,568.80 per month in arrears for years 1 - 10 per the rent breakdown below:

Rent Breakdown (Years 1-10)	Annual Rent	Monthly Rent
Shell Rent	\$243,161.82	\$20,263.49
Operating Cost	\$56,269.73	\$4,689.14
Amortization of TI	\$43,394.03	\$3,616.17
Full Service Rent	\$342,825.58	\$28,568.80

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

**LGK DEVELOPMENT, LLC
3200 CARBON PL APT S211
BOULDER, CO 80301-6119**

4. The Government has no termination rights during the term of this lease.

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

LESSOR LGK DEVELOPMENT, LLC

BY _____

MANAGER

MANAGER, LGK Development, LLC
(Title)

IN PRESENCE _____

(Address)

UNITED STATES OF AMERICA

BY _____

Contracting Officer, General Services Administration
(Official Title)

5. The Lessor shall furnish to the Government, as part to the rental consideration, the following:
 - A. Those facilities, services, supplies, utilities, and maintenance in accordance with SFO 8SD2020 dated June 26, 2009, as amended.
 - B. Build out in accordance with standards set forth in SFO 8SD2020 dated June 26, 2009, as amended, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations to be completed by the lease effective date identified under Paragraph 2 above. Lease term to be effective on date of occupancy, if different from the date identified in Paragraph 2. The Lessor hereby waives restoration.
 - C. Deviations to the approved design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.

6. The following are attached and made a part hereof:
 - A. Solicitation for Offers 8SD2020 dated June 26, 2009, and Amendment 1, dated July 1, 2009;
 - B. Agency Special Requirements (Rev. [10/1/10]);
 - C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. [11/05]);
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. [1/07]);
 - E. Site Plan;
 - F. Floor Plan;
 - G. Davis-Bacon Wage Rates

7. Rent includes a Tenant Improvement Allowance of \$311,447.50 to be amortized over the term of the Lease (120 months) at the rate of 7%. In accordance with SFO paragraph entitled *Tenant Improvement Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.

8. In accordance with the SFO paragraph entitled *Percentage of Occupancy*, the percentage of Government occupancy is established as 100%.

9. In accordance with the SFO paragraph entitled *Operating Costs Base*, the escalation base is established as \$5.29/RSF (\$56,269.73/annum).

10. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.15 (10,637 RSF/9,250 USF).

11. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$1.00/USF for vacant space (rental reduction).

12. In accordance with the SFO Paragraph entitled *Overtime Usage*, overtime usage is established as \$50.00 per hour for the entire building or any portion thereof.

13. 24 Hour Rooms: The Overtime Usage rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day as specified by the Lease. The charges for heating and cooling of these areas shall be provided at the rate of \$00.00.

14. 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."

15. 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.

16. The 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 SF2 and the SFO or Special Requirements, the SF2 shall take precedence.

17. The Lessor is a Limited Liability Corporation and a small business. The Tax Identification Number is [REDACTED]. The DUNS number is 78-100 4879. The signatory for the Lessor is Matthew K Lawrence.

18. Agency Special Requirements include a single page document entitled "Standards for refrigerator, microwave, coffee makers, dishwashers, stoves for offices." As clarity, Lessor is not to provide appliances as suggested in this document, but rather ensure that adequate space is made for same while designing space to meet the government's needs. Lessor will be responsible for maintenance of appliances, but not for cost for same or replacement of appliances as referred to in this attachment. These appliances are not to be bid out along with other Tenant Improvements listed throughout the Agency Special Requirements.


LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____


(Initial)

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 last 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.

20. Commission and Commission Credit:

The Lessor and the Broker have agreed to a 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]. The Lessor agrees to pay the Commission less the Commission Credit to the Broker in accordance with the "Broker Commission and Commission Credit" paragraph in the SFO attached to 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 \$28,568.80 minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's Rent

Second Month's Rental Payment \$28,568.80 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's Rent

Third Month's Rental Payment \$28,568.80 minus prorated Commission Credit of [redacted] 6 equals [redacted] adjusted Third Month's Rent

The Lessor hereby waives restoration.

LESSOR

UNITED STATES OF AMERICA

BY



(Initial)

BY



(Initial)