

GENERAL SERVICES ADMINISTRATION PUBLIC BUILDINGS SERVICE SUPPLEMENTAL LEASE AGREEMENT	SUPPLEMENTAL AGREEMENT NO. 1	DATE: 3/11/11
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	TO LEASE NO. <b>GS-08P-14570</b>
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**ADDRESS OF PREMISES**    2708 N. 1<sup>st</sup> Avenue  
Sioux Falls, SD 57104

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

Whose address is:    Craig Lloyd  
3130 W. 57<sup>th</sup> Street, Suite 112  
Sioux Falls, SD 57108-3123

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

NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said

Lease is amended,	March 10, 2011	as follows:
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**This SLA is issued to modify the following paragraphs of the Lease. Paragraphs 1, 3, 12, 13, 14, 19 & 33 of the lease are amended by deleting the existing text and substituting, in lieu thereof.**

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

27,126 rentable square feet of office and related space, which yields 26,568 ANSI/BOMA office area square feet. The facility will be constructed on that certain real property consisting of approximately 3.46 acres located at 2708 N. 1<sup>st</sup> Avenue, Sioux Falls, South Dakota, 57104 (as described in Exhibit A attached hereto – legal description). Such facility described herein, together with the real property shall be hereinafter collectively referred to as the "Leased Premises" (as described in Exhibit B attached hereto)

A total of forty-nine (49) parking spaces are available to the Government, its visitors and employees at no additional cost. Twenty-two (22) of the parking spaces will be located in a heated garage. Twenty (20) outdoor, secured surface parking spaces will be designated for employees and the remaining seven (7) outdoor, surface parking spaces will be designated for visitors.

Said premises to be used for such purposes as determined by the General Services Administration."

- CONTINUED ON PAGES 2 and 3 -

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.

**LESSOR: CRAIG LLOYD**

IN PRESENCE OF \_\_\_\_\_  
\_\_\_\_\_

CFO  
\_\_\_\_\_  
3130 W. 57<sup>th</sup> (Title) #112  
Sioux Falls, SD 57108  
\_\_\_\_\_  
(Address)

UNIT \_\_\_\_\_  
BY \_\_\_\_\_

**CONTRACTING OFFICER**  
(Official Title)

"3. The Government shall pay the Lessor rent as follows:

Months	Annualized					Total Monthly Rent
	Shell	Cost of Services	Building Specific Security	Tenant Improvement Allowance	Total Annual Rent	
8/1/11 - 7/31/16	\$ 555,342.86	\$ 137,190.42	\$ 46,087.09	\$ 164,836.59	\$ 903,456.96	\$ 75,288.08
8/1/16 - 7/31/21	\$ 629,125.58	\$ 137,190.42	\$ 46,087.09	\$ 0.00	\$ 812,403.09	\$ 71,680.46
8/1/21 - 7/31/26	\$ 663,026.58	\$ 137,190.42	\$ 0.00	\$ 0.00	\$ 800,217.00	\$ 66,684.75
8/1/26 - 7/31/31	\$ 722,975.04	\$ 137,190.42	\$ 0.00	\$ 0.00	\$ 860,165.46	\$ 71,680.46

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

Craig Lloyd  
 3130 W. 57<sup>th</sup> Street, Suite 112  
 Sioux Falls, SD 57108-3123"

"12. The total ANSI/BOMA square foot area referred to in Paragraph 1 of the SF-2 herein is subject to an adjustment with the actual number of ANSI/BOMA square feet delivered to be determined by mutual field measurements. However, it is mutually agreed that the total ANSI/BOMA office area square feet may not exceed the maximum limitation of 26,568 ANSI/BOMA office area square feet as stated in Paragraph 1.1 of the Lease. If the actual number of ANSI/BOMA square feet differs from Paragraph 1 of the SF-2, the Lease shall be amended by Supplemental Lease Agreement after field measurement to establish the square footage in compliance with the terms of this paragraph. Should there be any adjustment in the actual amount of ANSI/BOMA area delivered, the per annum rental rate referred to in Paragraph 3 hereinabove shall be adjusted according to the rates set forth in Paragraph 3."

"13. In accordance with Paragraph 4.5 of the Lease, the Common Area Factor is established as 1.0214."

"14. For the purpose of computing Operating Cost adjustments in accordance with Paragraph 4.4 of the Lease, the cost of services base is \$137,190.42 per annum."

"19. The tenant build out will conform to the specifications in the Lease and all attachments, and are to be provided by the Lessor as part of the total rental payment. In accordance with Paragraph 1.16 of the Lease, all Tenant Improvements required by the Government for occupancy must be performed by the successful Offeror as part of the rental consideration, subject to price adjustments as discussed in the paragraph entitled, "ADJUSTMENTS TO OFFERED PRICES PRIOR TO PRESENT VALUE EVALUATION (MAR 2006). The Lessor agrees to provide \$1,932,852.22 toward the cost of the Tenant Improvements. The Government elects to pay a portion of the tenant buildout of \$1,213,713.64 via lump sum payment upon space acceptance. The Lessor and Government agree that the remaining tenant build out cost of \$719,138.58 is amortized for a period of five (5) years at 5.5%. Therefore, the amortized tenant build out costs are \$164,836.59 per annum or \$6.07 per rentable square foot. In the event the Tenant Improvement Cost is less than the amount provided above, or the Government elects to pay all or any additional portion of the tenant buildout cost via lump sum payment, the Lessor agrees to refund such difference in the form of reduction of base rent using a 5.5% amortization rate. The refund will be a credit of the rent equally spread out throughout the initial five (5) years of lease term. In the event that the Tenant Improvement Cost is greater than the amount provided above, Lessor agrees to amortize the additional cost at 5.5% throughout the initial five (5) years of lease term, or the Government may choose to pay lump sum for any part of the Tenant Improvement Cost. The Government and Lessor must agree on any additional Tenant Improvement Cost through a Supplemental Lease Agreement.

Additionally, Building Security Amortized Costs (BSAC) of \$353,885.76 (based on \$13.32 per ANSI/BOMA Office Area square foot) shall be amortized through the rent for ten (10) years at the rate of 5.5%. The annual cost included in the rent is \$46,087.09."

Initials	
Gov't <i>[Signature]</i>	Lessor <i>[Signature]</i>

"33. In accordance with Paragraph 1.3 (Broker Commission and Commission Credit), Studley, Inc. ("Studley") is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley 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]. This Commission is earned upon lease execution and payable (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. Due to the Commission Credit, which shall be hereby agreed to as [redacted], only [redacted] which is [redacted] of the Commission, will be payable to Studley (i) one-half (1/2) when the Lease is awarded and (ii) one-half (1/2) upon the earlier of Tenant's occupancy of the premises leased pursuant to the Lease or the commencement date of the Lease. The remaining [redacted], which is [redacted] of the Commission ("Commission Credit"), shall be credited to the Government as a credit to the shell rental portion of the annual rental payments.

Notwithstanding Paragraph 3 of the 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 \$75,288.08 minus prorated Commission Credit of [redacted] equals [redacted] adjusted First Month's rent.
- Second Month's Rental Payment \$75,288.08 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Second Month's rent.
- Third Month's Rental Payment \$75,288.08 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Third Month's rent.
- Fourth Month's Rental Payment \$75,288.08 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Fourth Month's rent.
- Fifth Month's Rental Payment \$75,288.08 minus prorated Commission Credit of [redacted] equals [redacted] adjusted Fifth Month's rent.

END OF SLA NO. 1

Initials	
Gov't <i>[Signature]</i>	Lessor <i>[Signature]</i>