

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

GS-D8P-14474

THIS LEASE, made and entered into this date by and between TURNAC FOUR, LLC

whose address is 101 Shimrose Drive
Fort Pierre, SD 57532-3203

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 5,175 rentable square feet (RSF) of office, warehouse and related space, which yields 4,500 ANSIBOMA Office Area square feet (USF) of space at 909 St. Joseph Street, 4th Floor, Rapid City, South Dakota 57701-2678 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 fourteen (14) parking spaces for the exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on November 22, 2009 through November 21, 2014.

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

Months	Annualized					Total Monthly Rent
	Shell	Cost of Services	Tenant Improvement Allowance	Building Specific Security Cost	Total Annual Rent	
60	\$ 92,324.92	\$ 25,811.00	\$ 39,473.15	\$ 3,125.92	\$ 160,734.99	\$ 13,394.58

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:

TURNAC FOUR, LLC
C/O WALTER J. MILLER
PO BOX 22
FORT PIERRE, SD 57532-9998

LESSOR	
SIGNATURE 	NAME OF SIGNER WALTER J. MILLER
ADDRESS 101 SHIMROSE DRIVE, FORT PIERRE, SD 57532-3203 <i>Box 22</i>	
SIGNATURE 	NAME OF SIGNER <i>Paul L. Smith</i>
UNITED STATES OF AMERICA	
SIGNATURE 	CONTRACTING OFFICER

4. 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 SFO8SD2039 dated 10/07/2009.
 - B. Build out in accordance with standards set forth in SFO 8SD2039 dated 10/07/2009, and the Government's design intent drawings. The Government's design intent drawings shall be developed subsequent to award.
 - C. Deviations to the Government's design intent drawings will not be permitted unless prior written authorization is obtained from the GSA Contracting Officer.
5. The following are attached and made a part hereof:
 - A. Solicitation for Offers 8SD2039 dated 10/07/2009;
 - B. Amendment #1 to SFO 8SD2039 dated 10/28/2009;
 - C. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
 - D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - E. Attachment A – Base Plans – Lessor to provide electronic CAD
 - F. [REDACTED] Special Requirements
 - G. Commission Agreement
6. Rent includes a Tenant Improvement Allowance of \$164,160.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 7.50%. In accordance with SFO paragraph 3.3, *Tenant Improvements Rental Adjustment*, the actual cost of Tenant Improvements shall be reconciled and rent adjusted accordingly.
7. Rent includes Building Specific Security Costs of \$13,000.00 to be amortized through the rent over the firm term of the Lease (60 months) at the rate of 7.50%.
8. In accordance with SFO Paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.15 (5,175 RSF / 4,500 USF).
9. In accordance with SFO Paragraph 4.2, *Tax Adjustment*, the percentage of Government occupancy is established as 100% (5,175 RSF / 5,175 RSF). The real estate tax base will be \$8,699.95.
10. In accordance with SFO Paragraph 4.3, *Operating Costs Base*, the escalation base is established as \$25,811.00 per annum.
11. In accordance with SFO Paragraph 4.4, *Adjustment for Vacant Premises*, the adjustment is established as \$3.35/USF for vacant space (rental reduction).
12. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$0.00 per hour for the entire space or any portion thereof beyond the normal hours of operation of 7:00 AM to 5:00 PM Monday through Friday. Areas requiring 24/7 HVAC will be provided at no cost to the Government.
13. All information submitted by the Lessor during negotiations, including but not limited to plans renderings, specifications, etc. are incorporated by reference.
14. 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 Lease space after termination of the Lease contract and will become property of the Lessor.
15. 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."
16. This Lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible too contradict the provisions of this Lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.

INITIALS: LESSOR & GOVT

STANDARD FORM 2 (REV. 12/2006) CONTINUATION

17. 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]. 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 described in Paragraph 2.4, only [REDACTED], which is [REDACTED] of the Commission, will be payable to CBRE when the Lease is awarded. The remaining [REDACTED], which is [REDACTED] of the Commission ("Commission Credit"), shall be credited to the shell rental portion of the annual rental payments due and owing 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 until the credit has been fully recaptured.

First month's rental payment of [REDACTED] minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted first month's rent).

Second month's rental payment of [REDACTED] minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted second month's rent).

Third month's rental payment of [REDACTED] minus the prorated commission credit of [REDACTED] equals [REDACTED] (adjusted third month's rent).

INITIALS [Signature] LESSOR & [Signature] GOVT