

U.S. GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

LND14433

THIS LEASE, made and entered into this date by and between Civic Square Development LLP,

whose address is 501 E. Main Avenue
BISMARCK, ND 58501-4419

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 3,196 rentable square feet (RSF) of office and related space, which yields 3,058 ANSI/BOMA Office Area square feet (USF) of space at Civic Square, 521 E. Main Avenue, Bismarck, ND, 58501-4418 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 two (2) reserved on-site parking spaces for the exclusive use of Government employees.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning within 120 days after the Contracting Officer issues the Tenant Improvement Notice to Proceed, estimated to be April 1, 2010 through March 31, 2020, subject to termination and renewal rights as may be hereinafter set forth.
3. The Government shall pay the Lessor monthly in arrears in accordance with the following table:

Months	Annualized			Total Annual Rent
	Shell	Cost of Services	Tenant Improvement Allowance	
4/1/10 - 3/31/15	\$28,540.13	\$14,242.00	\$27,274.19	\$70,056.32
4/1/15 - 3/31/20	\$37,193.56	\$14,242.00	\$0.00	\$51,435.56

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 shall be made payable to:

Civic Square Development LLP
501 E. Main Avenue
Bismarck, ND 58501-4419

4. The Government may terminate this lease in whole or in part at any time after March 31, 2015 by giving at least 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.

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

LESSOR

SIGNATURE Civic Square Development LLP

NAME

ADDRESS

501 E. Main Ave. Bismarck, ND 58501

IN THE PRESENCE OF (SIGNATURE)

UNITED STATES OF AMERICA

SIGNATURE

NAME OF SIGNER

ADAM MENZIES



OFFICIAL TITLE OF SIGNER

Contracting Officer

AUTHORIZED

Previous edition is not usable

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 9ND2023 dated 5/26/09.
6. The following are attached and made a part hereof:
 - A. Solicitation for Offers 9ND2023 dated 5/26/09;
 - B. GSA Form 3517 entitled GENERAL CLAUSES (Rev. 11/05)
 - C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 1/07)
 - D. Attachment A – Legal Description
 - E. Attachment B – Base Plans
7. The tenant buildout will conform to the specifications in SFO 9ND2023 and are to be provided by the Lessor as part of the total rental payment. The tenant buildout costs of \$115,470.00 are amortized for a period of 60 months at 6.75%. The amortized tenant buildout costs are \$8.53 per rentable square foot.
8. The In accordance with provisions of Paragraphs 4.2 Tax Adjustment , 4.3 Operating Costs, and 4.4 Adjustment for Vacant Premises of the Solicitation for Offers 9ND2023, the following parameters are established:
 - (a) The lease is subject to operating cost escalation. For operating cost adjustment, the operating costs are established at \$4.456 per rentable square foot. The base cost of services is established at \$14,242.00 based on \$4.456 for 3,196 rentable square feet.
 - (b) The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 4.2, the percentage of occupancy is 11.20% based on Gross Building Area of 28,536 square feet divided by the Government's premises of 3,196 RSF. The base year tax statement will be submitted within 60 calendar days after the last date the Real Estate Tax payment is due from the Lessor to the Taxing Authority without payment of penalty or interest after payment to establish the base year taxes. If the tax statement is for multiple parcels or buildings, the value of each property shall be defined. The tax base is hereby established as \$0.00 per rentable square foot or \$0.00 per year. Taxes are abated from 2009 through 2012 due to a Renaissance Zone tax abatement program. Estimated Taxes for 2013 are \$3,000.00 (\$.9387/rsf) for the Government's premises.
 - (c) The Adjustment for Vacant space is \$4.00 per ANSI/BOMA Office Area square foot.
9. In accordance with SFO paragraph 4.1, *Measurement of Space*, the common area factor is established as 1.045127.
10. In accordance with SFO Paragraph 4.6, *Overtime Usage*, the rate for overtime usage is established as \$1.00 per hour for the entire space or any portion thereof.
11. All information submitted by the Lessor during negotiations, including but not limited to plans renderings, specifications, etc. are incorporated by reference.

INITIALS:  & 
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12. In accordance with Paragraph 2.5 (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 described in Paragraph 2.5, only [REDACTED], which is [REDACTED] of the Commission, will be payable to Studley 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. 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 as indicated in this schedule for adjusted Monthly Rent:

First Month's Shell is \$2,378.34 minus the Commission Credit of [REDACTED]. First Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Second Month's Shell is \$2,378.34 minus the Commission Credit of [REDACTED]. Second Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Third Month's Shell is \$2,378.34 minus the Commission Credit of [REDACTED]. Third Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Fourth Month's Shell is \$2,378.34 minus the Commission Credit of [REDACTED]. Fourth Month's adjusted Gross Monthly Rental Payment is [REDACTED].

13. All questions pertaining to this Lease shall be referred to the Contracting Officer of General Services Administration (GSA) or their designee. The Government occupant **is not** authorized to administer this lease, and GSA assumes no responsibility for any cost incurred by the Lessor except as provided by the terms of this Lease or authorized **in writing** by Contracting Officer or their designee. The Lessor will not be reimbursed for any services not provided for in this Lease, including but not limited to: repairs, alterations and overtime services. Additionally, rental will not be paid for occupancy in whole or in part except for the term specified herein.
14. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new leases/contracts not later than January 1, 1998. An enrollment form is attached to be completed and returned with this contract.
15. The Lessor shall represent and warrant that the building and premises meet the required NFPA 101A Life Safety Code. Should a GSA representative discover discrepancies pursuant to a physical inspection, Lessor agrees to remedy any deficiencies as required.
16. The Lessor hereby waives and forever relinquishes 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 will become property of the Lessor.

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