

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

LEASE NO.

LSD14276

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

Whose address is WADOA VENTURE, LLC
101 W. 2ND STREET, SUITE 300
DAVENPORT, IA 52801-1814

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 7,869 rentable square feet (RSF) of office and related space, which yields 7,219 ANSI/BOMA Office Area square feet (USF) of space in a building to be constructed at the southeast corner of 18th Avenue NE and 4th Street NE, Lots 1 & 2, Northridge Ninth Addition, in the City of Watertown, South Dakota 57201, 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 56 on-site surface parking spaces, including 5 reserved for Government use, for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning upon substantial completion which shall be within 180 calendar days after the Government has issued the Notice to Proceed with Tenant Improvements to the Lessor, and continuing for fifteen (15) years, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent for Years 1-15 of \$223,047.00 at the rate of \$18,587.25 per month in arrears. Rent for a lesser period shall be prorated. Rent shall be made payable to:

WADOA VENTURE, LLC
101 W. 2ND STREET, SUITE 300
DAVENPORT, IA 52801-1814

4. The Government may terminate this lease in whole or in part at any time after the 10th year 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.

scribed their names as of the date first above written.

101 W. 2ND ST., SUITE 300
Davenport, Iowa 52801

(Address)

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 No. 8SD2051 dated May 19, 2009.

B. Build out in accordance with standards set forth in SFO No. 8SD2051 dated May 19, 2009, and the Government's design intent drawings. Government space plans shall be developed subsequent to award. All tenant alterations are to be completed by the lease effective date identified under Paragraph 2 above. Lease term is intended to be effective on date of occupancy. A Supplemental Lease Agreement will be issued to set the effective and/or occupancy dates at the time of inspection and acceptance of the space. 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 8SD2051 dated May 19, 2009.

B. GSA Form 3517 entitled GENERAL CLAUSES

C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS

7. In accordance with the SFO paragraph entitled *Tenant Improvements Included in Offer*, Tenant Improvements in the total amount of \$246,095.71 shall be amortized through the rent for 10 years at the rate of 6.75%.

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 \$40,000.00 per annum.

10. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.09004017 (7,869 RSF/7,219 USF).

11. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$5.54/USF for vacant space (rental reduction).

12. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage established as \$4.00 per hour for the entire building or any portion thereof.

13. In accordance with the SFO paragraph entitled *Real Estate Taxes*, the annual tax base is established as \$4,000.00/annum.

14. Rental Schedule.

Years	Shell	Taxes	Operating	TI's	Building Security	Annual Rent
1-10	\$137,642.01	\$4,000.00	\$40,000.00	\$33,909.27	\$7,495.72	\$223,047.00
11-15	\$179,047.00	\$4,000.00	\$40,000.00	\$0.00	\$0.00	\$223,047.00

*Annual adjustment will be applied to operating costs per SFO paragraphs.

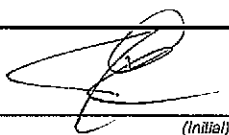
*Base amounts are indicated for illustrative/evaluation purposes only.

*CAF will be used to convert from RSF to USF.

LESSOR

UNITED STATES OF AMERICA

BY _____



(Initial)

BY _____



(Initial)

15. 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 100% based on Gross Building Area of 7,869 rentable square feet divided by the Government's premises of 7,869 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 \$.5083 per rentable square foot or \$4,000.00 per year.

16. In accordance with Paragraph 2.4 (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 2.4, 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 \$11,470.16 minus the Commission Credit of [REDACTED]. First Month's adjusted Gross Monthly Rental Payment is [REDACTED] (\$18,587.25 - [REDACTED]).

Second Month's Shell is \$11,470.16 minus the Commission Credit of [REDACTED]. Second Month's adjusted Gross Monthly Rental Payment is [REDACTED] (\$18,587.25 - [REDACTED]).


Third Month's Shell is \$11,470.16 minus the Commission Credit of [REDACTED]. Third Month's adjusted Gross Monthly Rental Payment is [REDACTED] (\$18,587.25 - [REDACTED]).

17. Lessor shall construct the building and parking areas entirely outside of any flood plain and/or wetlands.

LESSOR

UNITED STATES OF AMERICA

BY _____


(Initial)

BY _____



(Initial)