

US GOVERNMENT LEASE FOR REAL PROPERTY

DATE OF LEASE

OCTOBER 13, 2009

LEASE NO.

GS-08P-14396

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

Whose address is **LESTER A. KINSTAD**
[REDACTED]

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 10,820 rentable square feet (RSF) of office and related space, which yields 10,235 ANSI/BOMA Office Area square feet (USF) of space in a building to be constructed at 59th and Arizona, Sioux Falls, South Dakota, 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 51 parking spaces for exclusive use of Government employees and patrons.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on October 1, 2010, and continuing through September 30, 2020, subject to termination and renewal rights as may be hereinafter set forth.

3. The Government shall pay the Lessor annual rent of \$ 304,615.60 at the rate of \$25,384.63 per month in arrears. Rent for a lesser period shall be prorated. Rent shall be made payable to:

LESTER A. KINSTAD
C/O LEGACY REAL ESTATE
650 EAST 21ST STREET
SIOUX FALLS, SD 57105-3027

4. Neither the Government nor the Lessor retain any termination rights under this lease.

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

LESSOR
LESSOR

BY [REDACTED]

IN PRESENCE OF [REDACTED]

Proprietor
[REDACTED]

(Address)

Contracting Officer, General Services Administration

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. 7SD2032 dated April 2, 2008, as amended.

B. Build out in accordance with standards set forth in SFO No. 7SD2032 dated April 2, 2008, as amended, 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 7SD2032 dated April 2, 2008, and Amendments 1 through 4.
- B. GSA Form 3517 entitled GENERAL CLAUSES
- C. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS

7. In accordance with the SFO paragraph entitled *Tenant Improvement Rental Adjustment*, Tenant improvements in the total amount of \$492,071.00 shall be amortized through the rent for 10 years at the rate of 6.5%.

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 \$54,060.00 per annum.

10. In accordance with the SFO paragraph entitled *Common Area Factor*, the common area factor is established as 1.0571 (10,820 RSF/10,235 USF).

11. In accordance with the SFO paragraph entitled *Adjustment for Vacant Premises*, the adjustment is established as \$3.32/SF for vacant space (rental reduction).

12. In accordance with the SFO Paragraph entitled *Overtime Usage*, the rate for overtime usage established as \$6.40 per hour for the entire building or any portion thereof.

13. Rental Schedule.

Year	Shell	Operating	TI's	Taxes	Annual Rent
1	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
2	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
3	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
4	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
5	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
6	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
7	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
8	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
9	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60
10	\$183,507.20	\$54,060.00	\$67,048.40	\$0.00	\$304,615.60

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

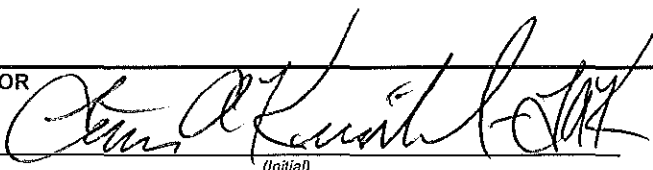
*Base amounts are indicated for illustrative/evaluation purposes only.

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

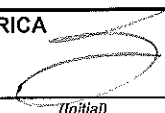
LESSOR

UNITED STATES OF AMERICA

BY


 (Initial)

BY


 (Initial)

14. The lease is subject to real estate tax escalation. For tax escalation in accordance with terms of Paragraph 3.4, the percentage of occupancy is 100% based on Gross Building Area of 10,820 square feet divided by the Government's premises of 10,820 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 fully abated for the first year of the Lease term, and partially abated for Years two through 6 of the Lease Term due to a State of South Dakota tax abatement program. Estimated Taxes for the second year are \$9,846.20 (\$.92/rsf). Estimated Taxes for the sixth (6th) year, following the expiration of the tax abatement program are \$46,958.80 (\$4.34/rsf) for the Government's premises.

15. In accordance with Paragraph 1.13 (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 1.13, 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 \$15,292.27 minus the Commission Credit of [REDACTED]. First Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Second Month's Shell is \$15,292.27 minus the Commission Credit of [REDACTED]. Second Month's adjusted Gross Monthly Rental Payment is [REDACTED].

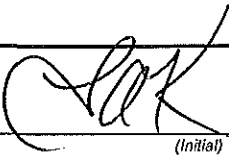
Third Month's Shell is \$15,292.27 minus the Commission Credit of [REDACTED]. Third Month's adjusted Gross Monthly Rental Payment is [REDACTED].

Fourth Month's Shell is \$15,292.27 minus the Commission Credit of [REDACTED]. Fourth Month's adjusted Gross Monthly Rental Payment is [REDACTED].

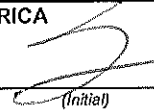
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