

DATE OF LEASE: April 28, 2010

LEASE No. LSD14416

THIS LEASE, made and entered into this date between **PIERCAP, LLC**

whose address is: **223 E Capitol Ave.  
Pierre, SD 57501-3106**

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 5,937 Rentable Square Feet (RSF) yielding 4,780 ANSI/BOMA area of office and related space on the 3<sup>rd</sup> Floor along with one (1) reserved parking space located at:

**HYDE BUILDING  
101 PIERRE ST  
PIERRE, SD 57501-2418**

to be used for such purposes as may be determined by the Government.

2. TO HAVE AND TO HOLD the said Premises with their appurtenances for a term of ten (10) years from December 1, 2010, through November 30, 2020, subject to termination rights as set forth elsewhere in the lease.

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

Upon beneficial occupancy by the Government, Annual Rent of \$170,415.44 at the rate of \$14,201.29 per month in arrears for years 1 through 5. Annual Rent of \$149,790.51 at the rate of \$12,482.54 per month in arrears for years 6 through 10.

Annual Rent consists of three (3) components:

- a. Shell Rent. Shell Rental Rate is \$108,053.40 or \$18.20 per RSF, at the rate of \$9,004.45 per month for years 1 through 5. Shell Rental Rate includes Real Estate Taxes of \$833.00 and Basic Shell of \$107,220.40 in years 1 through 5. Shell Rental Rate is \$125,330.07 or \$21.11 per RSF, at the rate of \$10,444.17 per month for years 6 through 10. Shell Rental Rate includes the Real Estate Tax base of \$833.00 and Basic Shell of \$124,497.07 in years 6 through 10.
- b. Base Operating Costs. Base year services cost is \$24,460.44 or \$4.12 per RSF, at the rate of \$2,038.37 per month.
- c. Amortized Tenant Improvement. Annual amortized TI rental is \$37,901.60 or \$6.38 per RSF, at the rate of \$3,158.47 per month, for years 1 through 5 only.

Rent for a lesser period shall be prorated. Rent shall be payable through Electronic Fund Transfer (EFT) to:

**PIERCAP, LLC  
223 E CAPITOL AVE.  
PIERRE, SD 57501-3106**

4. The Government may terminate this lease in whole or in part at any time after five (5) years by giving at least **sixty (60)** days' prior notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing.

5. Paragraph 5 is intentionally omitted.

6. The Lessor shall furnish to the Government as part of the rental consideration, the following:
- A. The parking spaces described in Paragraph 1 and any parking spaces required by local code or per SFO Section 1.8, Paragraph B.
  - B. All labor, materials, equipment, design, professional fees, permit fees, inspection fees, utilities, construction drawings (including, without limitation, plans and specifications), construction costs and services and all other similar costs and expenses associated with making the space, common areas, and related facilities ready for occupancy in accordance with the requirements of this lease. All costs associated with services, utilities, maintenance, repair, replacement, inspections, improvements and other requirements as required by Solicitation for Offers No. 8SD2012 and its attachments.
7. The following are attached and made a part hereof:
- A. Solicitation for Offers No. 8SD2012 – 52 pages
  - B. SFO Amendment Letter dated July 8, 2009 – 1 page
  - C. SFO Amendment Letter dated July 13, 2009 - 1 page
  - D. GSA Form 3516, Solicitation Provisions (Acquisition of Leasehold Interests in Real Property) – 1 page
  - E. GSA Form 3517, General Clauses (Acquisition of Leasehold Interests in Real Property | Rev 11/05) – 2 pages
  - F. GSA Form 3518, Representations and Certifications (Rev 1/07) – 7 pages
  - G. GSA Form 1217, Lessor's Annual Cost Statement – 2 pages
8. The following changes were made in this lease prior to its execution:

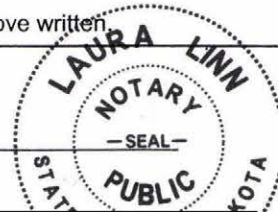
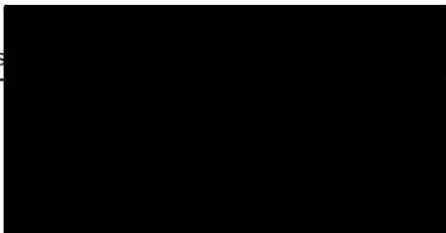
Paragraphs 5 and 11 of this STANDARD FORM 2 are deleted in thier entirety. Sheet No. 1 has been added containing Paragraphs 9 through 18.

CONTINUED ON SHEET NO. 1

IN WITNESS WHEREOF, the parties hereto have hereunto s \_\_\_\_\_ above written

LESSOR: **PIERCAP, LLC**

BY \_\_\_\_\_ Fred Thurston  
OWNER



IN \_\_\_\_\_

\_\_\_\_\_

UNITED STATES GOVERNMENT SERVICES ADMINISTRATION, Public Buildings Service:

BY \_\_\_\_\_



9. The Lessor shall remain responsible for maintenance, repair, and replacement of any installed items under this lease. These items can be removed by the Government at any time and the Lessor waives restoration in connection with these items. If after the lease term and any extended, renewal or succeeding lease term, the Government elects to abandon any items in place, the title shall pass to the Lessor.
10. Lessor estimates the Tenant Improvement (TI) buildout cost is \$160,943.00. The amortization rate is 6.625%, and the amortization term is five (5) years. This sum will be used to construct and expand the interior space in accordance with the approved Design Intent Drawings. If the TI cost exceeds \$33.67 per USF, the balance due the Lessor will be paid by rental adjustment or lump sum, to be determined by the Government. If the entire allowance of \$33.67 per USF is not used, the Government will adjust the rental rate downward to offset the difference in the TI rent component.
11. Paragraph 11 is intentionally omitted.
12. Pursuant to Paragraph 4.2, Tax Adjustment (Aug 2008), for the purpose of this lease, the Government's percentage of occupancy as of the date hereof is 33% based upon occupancy of 5,937 Rentable Square Feet in a building with a total of 18,000 RSF. This percentage shall be subject to adjustment to take into consideration additions or reductions of the amount of space as may be contemplated in this lease or amendments hereto.
13. Pursuant to SFO Paragraph 4.3, Operating Costs (Aug 2008), the base for operating costs adjustment is established as \$24,406.44 or \$4.12 per rentable square foot per annum.
14. Pursuant to GSA Form 3518, REPRESENTATIONS AND CERTIFICATIONS, Lessor Taxpayer Identification Number (TIN) is noted as [REDACTED] and the Lessor DUNS Number is noted as 929722184.
15. **Overtime Usage.** Pursuant to Paragraph 4.6, Overtime Usage (Aug 2008), the Lessor shall provide heating, ventilation, and air conditioning (HVAC) at any time beyond normal service hours (7:00 AM to 5:00 PM daily except Saturdays, Sundays, and federal holidays) at an hourly overtime rate of \$3.32.
16. **Unauthorized Improvements.** All questions pertaining to this lease agreement shall be referred in writing to the General Services Administration Contracting Officer. This contract is between GSA and Piercap, LLC. GSA assumes no financial responsibility for any cost incurred by the Lessor except as provided by the term of the lease agreement or authorized in writing by the GSA Contracting Officer. If Lessor delivers space with improvements not authorized or requested in writing by the GSA Contracting Officer, then Lessor shall not be entitled to compensation if the improvements remain in place after the Government's acceptance of the space.
17. Wherever the words "Offeror," "Lessor" 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 "Premises."
18. This lease, upon execution, contains the entire agreement of the parties and no prior written or oral agreement, expressed or implied, shall be admissible to contradict the provisions of this lease. Wherever there is a conflict between the SF-2 and the SFO, the SF-2 shall take precedence.

END OF PAGE

Initials: vt & cytm  
Lessor Government