

U.S. GOVERNMENT LEASE FOR REAL PROPERTY
(Short Form)

1. LEASE NUMBER
LSD14560

PART I - SOLICITATION/DESCRIPTION OF REQUIREMENTS (To be completed by Government)

A. REQUIREMENTS

2. The Government of the United States of America is seeking to lease approximately 2,448 rentable square feet of office space located in Martin South Dakota for occupancy December 1, 2010 and continuing for a term of ten (10) years, five years firm term. Rentable space must yield a minimum of 2,225 square feet of ANSI/BOMA Office area (ABOA) for use by the tenant for personnel, furnishing, and equipment. Any offered space that yields significantly more than the minimum square footage mentioned here must be offered at no cost to the Government and will be evaluated as such. The Government will be the sole determinant on what constitutes "significant" for the purposes of the offer evaluation. Six (6) on-site parking spaces shall be provided as part of the rental consideration.

3. INITIAL OFFERS ARE DUE ON OR BEFORE CLOSE OF BUSINESS ON SEPTEMBER 20, 2010.

B. STANDARD CONDITIONS AND REQUIREMENTS

4. The following standard conditions and requirements shall apply to any premises offered for lease to the UNITED STATES OF AMERICA (the GOVERNMENT):

- a. Space offered must be in a quality building of sound and substantial construction meeting the Government's requirements for the intended use.
- b. The Lessor shall provide floor plans for the offered space and a valid Certificate of Occupancy for the intended use of the Government and shall meet, maintain, and operate the building in conformance with all applicable current (as of the date of this solicitation) codes and ordinances. If space is offered in a building to be constructed for lease to the Government, the building must be in compliance with the most recent edition of the building code, fire code, and ordinances adopted by the jurisdiction in which the building is located.
- c. Offered space shall meet or be upgraded to meet the applicable egress requirements in National Fire Protection Association (NFPA) 101, *Life Safety Code* or an alternative approach or method for achieving a level of safety deemed equivalent and acceptable by the Government. Offered space located below-grade, including parking garage areas, and all areas referred to as "hazardous areas" (defined in NFPA 101) within the entire building (including non-Government areas), shall be protected by an automatic sprinkler system or an equivalent level of safety. Additional automatic fire sprinkler requirements will apply when offered space is located on or above the 6th floor. Unrestricted access to a minimum of two remote exits shall be provided on each floor of Government occupancy. Scissor stairs shall be counted as only one approved exit. Open-air exterior fire escapes will not be counted as an approved exit. Additional fire alarm system requirements will apply when offered space is located 2 or more stories in height above the lowest level of exit discharge.
- d. The Building and the leased space shall be accessible to persons with disabilities in accordance with appendices C and D of 36 CFR Part 1191 (ABA Chapters 1 and 2 and Chapters 3 through 10 of the ADA-ABA Accessibility Guidelines).
- e. The leased space shall be free of all asbestos containing materials, except undamaged asbestos flooring in the space or undamaged boiler or pipe insulation outside the space, in which case an asbestos management program conforming to Environmental Protection Agency guidance shall be implemented. The space shall be free of other hazardous materials and in compliance with applicable Federal, State, and local environmental laws and regulations.
- f. Services, utilities, and maintenance will be provided daily, extending from 7:00 a.m. to 5:30 p.m. except Saturday, Sunday, and Federal holidays. The Government shall have access to the leased space at all times, including the use of electrical services, toilets, lights, elevators, and Government office machines without additional payment.
- g. The Lessor shall complete any necessary alterations within 60 working days after receipt of the Government's Notice to Proceed with Tenant Improvements.
- h. The Offeror must have an active registration in the Central Contractor Registration (CCR) System (via the Internet at <http://www.ccr.gov>) prior to lease award and throughout the life of the lease. To remain active, the Lessor must update or renew its registration annually. The Government will not process rent payments to Lessors without an active CCR Registration. The Government will recognize no change of ownership of the leased premises until the new owner registers in the CCR system.

5. SERVICES AND UTILITIES (To be provided by Lessor as part of rent)

<input checked="" type="checkbox"/> HEAT	<input checked="" type="checkbox"/> TRASH REMOVAL	<input checked="" type="checkbox"/> ELEVATOR SERVICE	<input checked="" type="checkbox"/> INITIAL & REPLACEMENT LAMPS, TUBES & BALLASTS	<input type="checkbox"/> OTHER (Specify below)
<input checked="" type="checkbox"/> ELECTRICITY	<input checked="" type="checkbox"/> CHILLED DRINKING WATER	<input checked="" type="checkbox"/> WINDOW WASHING	<input checked="" type="checkbox"/> PAINTING FREQUENCY	
<input type="checkbox"/> POWER (Special Equip.)	<input checked="" type="checkbox"/> AIR CONDITIONING	Frequency <u>Per</u>		
		<u>Attachment #1</u>		
<input checked="" type="checkbox"/> WATER (Hot & Cold)	<input checked="" type="checkbox"/> TOILET SUPPLIES	<input checked="" type="checkbox"/> CARPET CLEANING	Space <u>Per</u>	
			<u>Attachment #1</u>	
<input checked="" type="checkbox"/> SNOW REMOVAL	<input checked="" type="checkbox"/> JANITORIAL SERV. & SUPP.	Frequency <u>Per</u>	Public Areas <u>Per</u>	
		<u>Attachment #1</u>	<u>Attachment #1</u>	

6. OTHER REQUIREMENTS

Offerors should also include the following with their offers:

The tenant improvement allowance shall be established during negotiations per ANSI/BOMA Office Area Square Foot for Tenant build out as a component of the full service rental rate. The total tenant build out allowance of \$0.00 has been included in the full service rental rate at the rate of \$0.00 per rentable square foot, amortized at 0.0% for the initial 60 months of the lease term.

The lessor as a part of shell buildout included in the full service rate shall: 1. Correct existing fire life safety egress deficiency (deadbolt with key to use exit door), 2. Correct safety deficiencies with rain gutters (empty into parking lot and freezing), and 3. Correct HVAC temperature and balancing deficiencies.

In accordance with Paragraph 3.4, Normal Hours of Attachment #1, the overtime HVAC services will be provided at the rate of \$27.00 per hour. Overtime rates shall not be paid during normal business hours.

If you desire that this lease be subject to operating cost escalation in accordance with the terms of Paragraph 1.7, Operating Costs of Attachment #1, please specify clearly the following. For operating cost adjustment, the operating costs are established at \$7.75 per rentable square foot. The base cost of services is established at \$18,972.00 per year based on \$7.75 per rentable square foot for 2,448 rentable square feet.

The lease is subject to real estate tax escalation. The base year is the first year of full assessment after construction of the building. For tax escalation in accordance with terms of Paragraph 1.8, Tax Adjustment of Attachment #1, the percentage of occupancy is 94.6 percent based on a total building square footage of 2,586 and Government premises of 2,448 rsf. The base year tax statement will be submitted within 60 calendar days 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.

In accordance with Section 1.6 of Attachment #1 to SFO 8SD2005, the Total Broker's Commission is [REDACTED]. For the benefit of the Government, the Broker has agreed to forego [REDACTED] percent of any commission that it is entitled to receive in connection with this lease transaction. Broker shall be paid directly by Lessor, [REDACTED] percent of the Total Broker's Commission which is [REDACTED] (the "Remaining Broker's Commission"). The resulting total dollar value of the foregone commission is estimated to be [REDACTED] (the "Commission Credit") which shall not be paid to Broker, but shall be applied in equal monthly amounts against shell rental payments due and owing under the Lease. Notwithstanding Section C. Rental of this GSA Form 3626, 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 Rent is \$2,297.92 minus the Commission Credit of [REDACTED] First Month's adjusted Gross Monthly Rental Payment is [REDACTED]

Second Month's Rent is \$2,297.92 minus the Commission Credit of [REDACTED] Second Month's adjusted Gross Monthly Rental Payment is [REDACTED]

7. NOTE: All offers are subject to the terms and conditions outlined above, and elsewhere in this solicitation, including the Government's General Clauses and Representations and Certifications.

8. BASIS OF AWARD

- ☒ THE ACCEPTABLE OFFER WITH THE LOWEST PRICE PER SQUARE FOOT, ACCORDING TO THE ANSI/BOMA Z65.1-1996 DEFINITION FOR BOMA USABLE OFFICE AREA, WHICH MEANS "THE AREA WHERE A TENANT NORMALLY HOUSES PERSONNEL AND/OR FURNITURE, FOR WHICH A MEASUREMENT IS TO BE COMPUTED."
- ☐ OFFER MOST ADVANTAGEOUS TO THE GOVERNMENT, WITH THE FOLLOWING EVALUATION FACTORS BEING
- ☐ SIGNIFICANTLY MORE IMPORTANT THAN PRICE
 - ☐ APPROXIMATELY EQUAL TO PRICE
 - ☐ SIGNIFICANTLY LESS IMPORTANT THAN PRICE
 - ☐ (Listed in descending order, unless stated otherwise):

PART II - OFFER (To be completed by Offeror/Owner and remain open until lease award)

A. LOCATION AND DESCRIPTION OF PREMISES OFFERED FOR LEASE BY GOVERNMENT

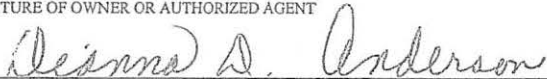
1. NAME AND ADDRESS OF BUILDING (Include ZIP Code) Clark Building 304 1 st Avenue Martin, SD 57551-0063	2. LOCATION(S) IN BUILDING	
	a. FLOOR(S) 1	b. ROOM NUMBER(S)
	c. SQ. FT. RENTABLE <u>2,448</u> ABOA <u>2,225</u> Common Area Factor <u>1.10</u>	d. TYPE <input checked="" type="checkbox"/> GENERAL OFFICE <input type="checkbox"/> OTHER (Specify) <input type="checkbox"/> WAREHOUSE

B. TERM

3. To have and to hold, for the term commencing on December 1, 2010 and continuing through November 30, 2020. The Government may terminate this lease, in whole or in part, at any time on or after November 30, 2015, by giving at least 90 days notice in writing to the Lessor. No rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the date of mailing.

C. RENTAL

4. Rent shall be payable in arrears and will be due on the first workday of each month. When the date for commencement of the lease falls after the 15th day of the month, the initial rental payment shall be due on the first workday of the second month following the commencement date. Rent for a period of less than a month shall be prorated.

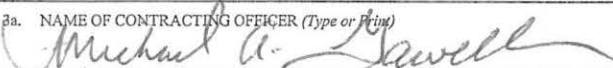
5. AMOUNT OF ANNUAL RENT Years 1-10: \$27,575.00	7. HVAC OVERTIME RATE PER HOUR \$27.00	8. ELECTRONIC FUNDS TRANSFER PAYMENT SHALL BE MADE TO (Name and Address) Dianna D. Anderson PO Box 63 /302 1 st Avenue Martin, SD 57551 -0063
6. RATE PER MONTH \$2,297.92		
9a. NAME AND ADDRESS OF OWNER (Include ZIP code. If requested by the Government and the owner is a partnership or joint venture, list all General Partners, using a separate sheet, if necessary.) Dianna D. Anderson, PO Box 63 Martin, SD 57551 Street address is Dianna Anderson, 302 1 st Avenue, Martin, SD 57551-0063		
9b. TELEPHONE NUMBER OF OWNER 605-685-1139	10. TYPE OF INTEREST IN PROPERTY OF PERSON SIGNING <input checked="" type="checkbox"/> OWNER <input type="checkbox"/> AUTHORIZED AGENT <input type="checkbox"/> OTHER (Specify)	
11a. NAME OF OWNER OR AUTHORIZED AGENT (Type or Print) Dianna D. Anderson	11b. TITLE OF PERSON SIGNING Owner	
11c. SIGNATURE OF OWNER OR AUTHORIZED AGENT 		11d. DATE Nov. 3, 2010

PART III - AWARD (To be completed by Government)

1. Your offer is hereby accepted. This award consummates the lease which consists of the following attached documents: (a) this GSA Form 3626, (b) Representations and Certifications, (c) the Government's General Clauses, and (d) the following changes or additions made or agreed to by you:

- Attachment #1 - "Supplemental Lease Requirements for Small Leases"
- GSA Form 1217 "Lessor's Annual Cost Statement"
- Attachment #3 - "Base Plan"
- Attachment #4 - "Prelease Fire and Life Safety Evaluation"

2. THIS DOCUMENT IS NOT BINDING ON THE GOVERNMENT OF THE UNITED STATES OF AMERICA UNLESS SIGNED BELOW BY AUTHORIZED CONTRACTING OFFICER.

3a. NAME OF CONTRACTING OFFICER (Type or Print) 	3b. SIGNATURE OF CONTRACTING OFFICER Michael A. Gawell	3c. DATE 12/1/2010
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