

LEASE NO. GS-05B-18817

This Lease is made and entered into between

Lessor's Name

Minnesota River Properties, LLC

("the Lessor"), whose principal place of business is

1207 River Drive River Falls, WI 54022-5748,
and whose interest in the Property described herein is that of Fee Owner, and

THE UNITED STATES OF AMERICA

("the Government"), acting by and through the designated representative of the U.S. General Services Administration ("GSA"), upon the terms and conditions set forth herein.

Witnesseth: The parties hereto, for the consideration hereinafter mentioned, covenant and agree as follows:

The Lessor hereby leases to the Government the Premises described herein, being all or a portion of the Property located at

6,635 Rentable Square Feet, which yields 6,635 ANSI BOMA Office Area square feet (ABOA) at 12 Civic Center Plaza, Suite 1560, Mankato, MN 56001-3660,
together with rights to the use of parking and other areas as set forth herein.

LEASE TERM

To Have and To Hold the said Premises with their appurtenances for the term beginning upon acceptance of the Premises and full execution of GSA form 1204 by Lessor and Lessee, as required by this Lease and continuing for a period of

13 Years, 10 Years Firm,

subject to termination and renewal rights as may be hereinafter set forth, to be used for such purposes as determined by GSA. The commencement date of this Lease, along with any applicable termination and renewal rights, shall more specifically be set forth in a Lease Amendment upon substantial completion and acceptance of the Space by the Government.

In Witness Whereof, the parties to this Lease evidence their agreement to all terms and conditions set forth herein by their signatures below, to be effective as of the date of delivery of the fully executed Lease to the Lessor.

[Redacted Signature]

Name: Gordon S. Husum B#
Title: Ch. of Finance
Date: 10/6/2014 A.D.

FOR THE GOVERNMENT:
[Redacted Signature]

Gerald K. Kosman
Lease Contracting Officer
Date: 10-20-14

[Redacted Signature]

Name: Sarah Hinckley
Title: Teller Supervisor
Date: 10/6/14

SECTION 1 THE PREMISES, RENT, AND OTHER TERMS

1.01 THE PREMISES (AUG 2011)

The Premises are described as follows:

Office and Related Space: 6,635 rentable square feet (RSF), yielding 6,635 ANSI/BOMA Office Area (ABOA) square feet of office and related space based upon a Common Area Factor of 1.00, located on the first floor(s) and existing space known as 12 Civic Center Plaza, Suite(s) 12, of the Building

1.02 EXPRESS APPURTENANT RIGHTS (AUG 2011)

The Government shall have the non-exclusive right to the use of Appurtenant Areas, and shall have the right to post Government Rules and Regulations within such areas. The Government will coordinate with the Lessor to ensure signage is consistent with the Lessor's standards. Appurtenant to the Premises and included with the Lease are rights to use the following:

- A. Parking: 30 existing parking spaces located within the City parking Ramp, 30 shall be structured in spaces reserved for the use of the Government. There are no surface parking spaces as a condition of this lease. In addition, the Lessor shall provide such additional parking spaces as required by the applicable code of the local government entity having jurisdiction over the Property.
- B. Antennas, Satellite Dishes, and Related Transmission Devices: Space located on the roof of the Building sufficient in size for the installation and placement of the telecommunications equipment as such may be described herein, together with the right to access the roof and use of, all building areas (e.g., chases, plenums) necessary for the use, operation and maintenance of such equipment at all times during the term of this Lease.

1.03 RENT AND OTHER CONSIDERATION (AUG 2011)

A. The Government shall pay the Lessor annual rent, payable monthly installments in arrears, at the following rates:

	FIRM TERM		NON FIRM TERM	
	RENT 1-3	RENT 4-10	RENT 11-13	
SHELL RENT	\$33,247.00	\$76,302.50	\$96,871.00	N.A.
TENANT IMPROVEMENTS RENT ¹	\$ 0	\$ 0	\$ 0	N.A.
OPERATING COSTS	\$ 40,606.20	\$ 40,606.20	\$ 40,606.20	N.A.
REAL ESTATE TAXES	\$13,402.70	\$13,402.70	\$13,402.70	
BUILDING SPECIFIC SECURITY ²	\$ 0	\$ 0	\$ 0	N.A.
TOTAL ANNUAL RENT	\$87,255.90	\$130,311.40	\$150,879.90	N.A.

¹Rates may be rounded.

- B. Rent is subject to adjustment based upon a physical mutual measurement of the Space upon acceptance, not to exceed 6,635 ABOA SF based upon the methodology outlined under the "Payment" clause of GSA Form 3517.
- C. Rent is subject to adjustment based upon the final Tenant Improvement (TI) cost to be amortized in the rental rate, as agreed upon by the parties subsequent to the Lease Award Date.
- D. If the Government occupies the Premises for less than a full calendar month, then rent shall be prorated based on the actual number of days of occupancy for that month.
- E. Rent shall be paid to the Lessor by electronic funds transfer in accordance with the provisions of the General Clauses. Rent shall be payable to the Payee designated in the Lessor's Central Contractor Registration.
- F. The Lessor shall provide to the Government, in exchange for the payment of rental and other specified consideration, the following:
 - 1. The leasehold interest in the Property described in "Paragraph 1.01 THE PREMISES" created herein;
 - 2. All costs, expenses and fees to perform the work required for acceptance of the Premises in accordance with this Lease, including all costs for labor, materials, and equipment, professional fees, contractor fees, attorney fees, permit fees, inspection fees, and similar such fees, and all related expenses, however upon acceptance by the Government, Government will pay the mutually agreed TI total construction cost of \$118,528 in a lump sum payment to Lessor, disbursed after acceptance of the space by the Government in one payment. There is no tenant allowance provided from Lessor to Government on this Lease. Consideration of the Governments lump sum payment is in three years of free rent at a 6% interest rate.
 - 3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities, and maintenance required for the proper operation of the Property, the Building, and the Premises in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements, and improvements required to be made thereto to meet the requirements of this Lease.

3. Performance or satisfaction of all other obligations set forth in this Lease; and all services, utilities (with the exclusion of XX), maintenance required for the proper operation of the Property, the Building, and the Leased Premises, in accordance with the terms of the Lease, including, but not limited to, all inspections, modifications, repairs, replacements and improvements required to be made thereto to meet the requirements of this Lease. The Government shall be responsible for paying the cost of \$0 directly to the utility provider. The Lessor shall ensure that such utilities are separately metered if new construction. The Lessor shall provide and install as part of shell rent, separate meters for utilities. Sub-meters are not acceptable. The Lessor shall furnish in writing to the LCO, prior to occupancy by the Government, a record of the meter numbers and verification that the meters measure Government usage only. Proration is not permissible. In addition, an automatic control system shall be provided to assure compliance with heating and air conditioning requirements.

G. Parking shall be included in the rent at no additional fee or cost to the Government.

1.04 BROKER COMMISSION AND COMMISSION CREDIT (AUG 2011)

There is no GSA NBC broker on this transaction and the transaction was completed as a "Direct" In house transaction of GSA staff.

A. ~~_____ [NBC2 Broker Name] ("Broker") is the authorized real estate Broker representing GSA in connection with this lease transaction. The total amount of the Commission is \$XX and is earned upon lease execution, payable according to the Commission Agreement signed between the two parties. Only \$XX of the Commission, will be payable to [NBC2 Broker Name] with the remaining \$XX, which is the "Commission Credit", to be credited to the shell rental portion of the annual rental payments due and owing to fully recapture this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue until the credit has been fully recaptured in equal monthly installments over the shortest time practicable.~~

B. ~~_____ Notwithstanding the "Rent and Other Consideration" paragraph of this Lease, the shell rental payments due and owing under this lease shall be reduced to recapture fully this Commission Credit. The reduction in shell rent shall commence with the first month of the rental payments and continue as indicated in this schedule for adjusted Monthly Rent:~~

~~Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted Xth Month's Rent.~~

~~Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted Xth Month's Rent.~~

~~Month X Rental Payment \$XX,XXX minus prorated Commission Credit of \$XX,XXX equals \$XX,XXX adjusted Xth Month's Rent.~~

1.05 TERMINATION RIGHTS (AUG 2011)

The Government may terminate this Lease, in whole or in parts, at any time effective after the firm term of this Lease by providing not less than sixty (60) days' prior written notice to the Lessor. The effective date of the termination shall be the day following the expiration of the required notice period or the termination date set forth in the notice, whichever is later. No rental shall accrue after the effective date of termination.

1.06 RENEWAL RIGHTS (AUG 2011)

~~This Lease may be renewed at the option of the Government for a term of XX YEARS at the following rental rate(s):~~

	OPTION TERM, YEARS XX-XX	
	ANNUAL RENT	ANNUAL RATE / RSF
SHELL TURNKEY RENTAL RATE	\$XX	\$XX
OPERATING COSTS	OPERATING COST BASIS SHALL CONTINUE FROM YEAR XX OF EXISTING LEASE TERM. OPTION TERM IS SUBJECT TO CONTINUING ANNUAL ADJUSTMENTS.	

~~provided notice is given to the Lessor at least XX days before the end of the original lease term, all other terms and conditions of this Lease, as same may have been amended, shall remain in force and effect during any renewal term.~~

1.07 DOCUMENTS INCORPORATED BY REFERENCE (AUG 2011)

The following documents are incorporated by reference, as though fully set forth herein:

DOCUMENT NAME	NO. OF PAGES	EXHIBIT
DESIGN INTENT DRAWING PLAN(S) – SMITH GROUP	1	ATTACH 1
PARKING PLAN(S)	N/A	N/A
AGENCY SPECIFIC REQUIREMENTS	13	1
SECURITY REQUIREMENTS	N/A	N/A
SECURITY UNIT PRICE LIST	N/A	N/A
GSA FORM 3516 SOLICITATION PROVISIONS	N/A	N/A
GSA FORM 3517B GENERAL CLAUSES	5	2
GSA FORM 3518, REPRESENTATIONS AND CERTIFICATIONS	10	3
SMALL BUSINESS SUBCONTRACTING PLAN	N/A	N/A
T.I./SHELL GUIDE	4	4

1.08 TENANT IMPROVEMENTS AND PRICING (STREAMLINED) (SEPT 2011)

~~TURNKEY PRICING INCLUDING AGENCY SPECIFIC REQUIREMENTS PACKAGE AND DESIGN SCHEMATIC WITH POST-AWARD DID WORKSHOP (STREAMLINED) (AUG 2011)~~

~~The Lessor has agreed to total TI pricing of \$XX,XXX based on the Agency Specific Requirements package and design schematic included in Exhibit X. This amount is amortized in the rent over the firm term of this Lease at an interest rate of X percent per year. Price adjustments to the final DIDs will be made in accordance with the unit costs in Exhibit X attached hereto. Final rent calculations will be reconciled and the Lease will be amended after acceptance of the Space.~~

~~TENANT IMPROVEMENT PRICING BASED ON TENANT IMPROVEMENT ALLOWANCE (TIA) (STREAMLINED) (JUL 2014)~~

~~The Tenant Improvement Allowance (TIA) for purposes of this Lease is \$XX.XX per ABOA SF. The TIA is the amount that the Lessor shall make available for the Government to be used for the TIs. This amount is amortized in the rent over the firm term of this Lease at an annual interest rate of X percent.~~

~~A. The Government, at its sole discretion, shall make all decisions as to the use of the TIA. The Government may use all or part of the TIA. The Government may return to the Lessor any unused portion of the TIA in exchange for a decrease in rent according to the agreed upon amortization rate over the firm term.~~

~~B. The Government shall have the right to make lump sum payments for any or all work covered by the TIA. That part of the TIA amortized in the rent shall be reduced accordingly. At any time after occupancy and during the firm term of the Lease, the Government, at its sole discretion, may choose to pay lump sum for any part or all of the remaining unpaid amortized balance of the TIA. If the Government elects to make a lump sum payment for the TIA after occupancy, the payment of the TIA by the Government will result in a decrease in the rent according to the amortization rate over the firm term of the Lease.~~

~~C. If it is anticipated that the Government will spend more than the allowance identified above, the Government shall have the right to either~~

- ~~1. Reduce the TI requirements.~~
- ~~2. Pay lump sum for the overage upon completion and acceptance of the improvements.~~
- ~~3. Increase the rent according to the negotiated amortization rate over the firm term of the Lease.~~

TURNKEY PRICING WITH PRE-AWARD DIDS (STREAMLINED) (AUG 2011)

The Lessor has agreed to total TI pricing of \$118,528 based on the approved DIDs included by reference in Attachment 1. This amount paid in a lump sum to Lessor on acceptance of space, but may be reduced should costs be lower.

The Government shall have the right to make lump sum payments for any or all TI work.

1.09 INTENTIONALLY DELETED (STREAMLINED) (SEPT 2011)

1.10 TENANT IMPROVEMENT FEE SCHEDULE (AUG 2011)

For pricing TI costs as defined herein, the following rates shall apply for the initial build-out of the Space, and alterations of the Space subsequent to Acceptance:

	INITIAL BUILD-OUT	POST-ACCEPTANCE ALTERATIONS
Architect/Engineer Fees (per ABOA SF or % of Construction Costs)	\$XX or XX%	\$XX or XX%
Lessor's Project Management Fee (% of Construction Costs)	XX%	XX%

1.11 PERCENTAGE OF OCCUPANCY FOR TAX ADJUSTMENT, ESTABLISHMENT OF TAX BASE (AUG 2011)

As of the Lease Award Date, the Government's Percentage of Occupancy, as defined in the "Real Estate Tax Adjustment" clause of this lease is 6.489 percent. The percentage of occupancy is derived by dividing the total Government space of 6,635 RSF by the total building space of 102,255 usable square feet.

The real estate tax base, as defined in the "Real Estate Tax Adjustment" clause of the Lease remains at \$13,402.70 or the tax base of the existing lease (LMN16165) prior to this succeeding Lease.

1.12 OPERATING COST BASE (AUG 2011)

The parties agree that for the purpose of applying the clause titled "Operating Costs Adjustment Included in Offer" that the Lessor's base rate for operating costs shall be \$40,606.20/annum.

1.13 RATE FOR ADJUSTMENT FOR VACANT LEASED PREMISES (AUG 2011)

In accordance with the section entitled "Adjustment for Vacant Premises" if the Government fails to occupy or vacates the entire or any portion of the Leased Premises prior to expiration of the term of the Lease, the operating costs paid by the Government as part of the rent shall be reduced by \$1.34 per ABOA SF of space vacated by the Government.

1.14 HOURLY OVERTIME HVAC RATES (AUG 2011)

The following rates shall apply in the application of the clause titled "Overtime HVAC Usage:"

\$0 per hour per zone

No. of zones: zero

\$ 0 per hour for the entire space.

1.15 24-HOUR HVAC REQUIREMENT (APR 2011)

The Hourly Overtime HVAC rate specified above shall not apply to any portion of the Premises that is required to have heating and cooling 24 hours per day. If 24-hour HVAC is required by the Government for any designated rooms or areas of the Premises, such services shall be provided by the Lessor at an annual rate of \$0 per ABOA SF of the area receiving the 24-hour HVAC. Lessor shall provide this service at no additional cost to the Government if the Lessor provides this service to other tenants in the Building at no additional charge.

1.16 ADDITIONAL BUILDING IMPROVEMENTS (AUG 2011)

In addition to construction of the TIs as required in this Lease, the Lessor shall be required to complete the following additional building improvements (e.g., Fire Protection and Life Safety, Seismic, and Energy Efficiency) prior to acceptance of the Space:

- A. None existing succeeding Lease. Fully sprinklered, fireproof steel construction.