

**U.S. GOVERNMENT LEASE FOR REAL PROPERTY**

DATE OF LEASE

11-4-2011

LEASE NO.

GS-05B-18512

THIS LEASE, made and entered into this date by and between: **City Centre Rochester LLC**

whose address is

**2227 7<sup>th</sup> Street NW  
Rochester, MN 55901**

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. A total of approximately 6,074 rentable square feet (RSF), consisting of a minimum of 5,148 ANSI/BOMA Office Area square feet (USF) of space located on the second floor of a three story building known as City Centre, 310 S. Broadway, Rochester, MN 55904-5513 as indicated on the attached Floor Plan. The leased space will be used for such purposes as determined by the General Services Administration.

B. In accordance with the SFO paragraph entitled Common Area Factor, according to Form 1364-Proposal to Lease Space, the common area factor is 1.1799.

C. A total of two (2) structured parking spaces for Government employees are included in the rental rate at a \$0.00 cost per month per vehicle to the Government.

2. TO HAVE AND TO HOLD the said premises with their appurtenances for a term of ten (10) years, seven (7) years firm, estimated to begin May 1, 2012 through April 30, 2022. The commencement date of the lease shall more specifically be set forth in a Supplemental Lease Agreement upon substantial completion and acceptance of the space by the Government.

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

Years 1 through 7 Annual Rent: \$190,966.60 at the rate of \$15,913.88 per month in arrears.

Years 8 through 10 Annual Rent: \$155,858.84 at the rate of \$12,988.24 per month in arrears.

Years 1-7	RSF Rate	USF Rate
Shell Rent w/o Tax	\$18.30	\$21.59
T.I.	\$5.78	\$6.82
Operating Costs	\$3.94	\$4.65
Taxes	\$3.42	\$4.04
Full Service Rent	\$31.44	\$37.09

Years 8-10	RSF Rate	USF Rate
Shell Rent w/o Tax	\$18.30	\$21.59
T.I.	\$ -	\$ -
Operating Costs	\$3.94	\$4.65
Taxes	\$3.42	\$4.04
Full Service Rent	\$25.66	\$30.28

Rent for a lesser period shall be prorated. Rent checks shall be made payable to:

**CITY CENTRE ROCHESTER LLC  
2227 7<sup>th</sup> Street NW  
Rochester, MN 55901**

INITIALS: Jed LESSOR (d) GOVERNMENT

4. The Government may terminate this lease at any time after the firm term estimated to be April 29, 2019 by giving at least 120 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.

5. Not used.

~~This lease may be renewed at the option of the Government, for the following terms and at the following rentals:~~

~~provided notice be given in writing to the Lessor at least \_\_\_\_\_ days before the end of the original lease term or any renewal term; all other terms and conditions of this lease shall remain the same during any renewal term. Said notice shall be computed commencing with the day after the date of mailing.~~

6. The Lessor shall furnish to the Government, as part to the rental consideration, the following:

All cleaning, services, utilities, maintenance of the building, space improvements, and Special Requirements as specified in the attached Solicitation for Offers GS-05B-18512. As part of the rental consideration the Lessor shall meet all responsibilities and obligations as defined in this lease.

THIS IS A FULLY SERVICED LEASE.

7. The following are attached and made a part hereof:

- A. Attachment to Standard Form 2 consisting of 2 pages;
- B. Solicitation for Offers GS-05B-18512 dated 07/19/2010, consisting of 59 pages with Amendment No. 1 consisting of 1 page, Amendment No. 2 consisting of 5 pages, Amendment No. 3 consisting of 1 page, and Amendment No. 4 consisting of 1 page;
- C. GSA Form 3517B entitled GENERAL CLAUSES (Rev. 11/05), consisting of 33 pages ;
- D. GSA Form 3518 entitled REPRESENTATIONS AND CERTIFICATIONS (Rev. 01/07), consisting of 8 pages;
- E. Block plan of leased space and parking, consisting of 1 page;
- F. Potential Cost Effective Energy Efficiency Improvements, consisting of 4 pages;
- G. City Centre Rochester Recycling Plan, consisting of 1 page;
- H. Prelease Fire Protection and Life Safety Evaluation, consisting of 4 pages;
- I. Pre-Lease Building Security Plan, consisting of 9 pages.

8. The following changes were made in this lease prior to its execution:

Paragraph 5 above was deleted in its entirety.

SFO paragraph 3.7 Green Lease Submittals (Aug. 2008) deleted in its entirety and replaced with Amendment No. 1 version of Green Lease Submittals (Sep. 2010).

SFO paragraph 8.3 Energy Cost Savings (Aug. 2008) deleted in its entirety and replaced with Amendment No. 1 version Of Energy Efficiency and Conservation (Sep. 2010).

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

LESSOR

SIGNATURE

NAME OF SIGNER

JOSEPH G. WEIS

ROCHESTER MN 55901

NAME OF SIGNER

Mr. Joe Weis

UNITED STATES OF AMERICA

NAME OF SIGNER

Diana K. George

OFFICIAL TITLE OF SIGNER

LEASING CONTRACTING OFFICER

9. The date of this lease is the date this contract was formed as a result of the Government's acceptance of the Lessor's final proposal dated October 8, 2011, submitted by the Lessor under Solicitation for Offers GS-05B-18512. This lease reflects the terms and conditions of the accepted final proposal revision.
10. In accordance with the lease paragraph entitled, Tenant Improvement Rental Adjustment, the Lessor agrees to provide up to \$187,747.56 (\$36.47 per usf x 5,148 usf) toward the cost of Tenant Improvements. The costs of the Tenant Improvements are amortized at 8.00% over 84 months which equates to \$5.78 per rsf. The amortized cost of these improvements is included in the stated rent in Paragraph 3 above. The rent will be adjusted accordingly based on the actual costs expended for buildout based on the design intent drawings as well as any change in square footage

Fees applicable to Tenant Improvements shall not exceed:

- General Conditions not to exceed five (5) percent of total Subcontractor's TI Costs
  - General Contractor not to exceed four (4) percent of total subcontractor's TI Costs
  - Architectural/Engineering \$3.93 per usable square foot for TI's only
  - Lessor Project Management Fees four (4) percent of total Subcontractor's TI Costs
  - The above 4 costs will be individually computed on the base TI Cost
11. In accordance with the SFO lease paragraph 4.3 entitled, Operating Costs Base, the base is established as \$3.94 per rentable square foot based on the Government's occupied space on the second floor. Beginning with the second year of the lease and each year thereafter, the Government shall pay annual incremental adjusted rent for changes in costs. The amount of adjustment will be determined by multiplying the base rate by the annual percent of change in the Cost of Living Index.
12. In accordance with the SFO lease paragraph 4.2 entitled, Tax Adjustment, the Real Estate Tax Base is established as \$3.42 per rentable square foot.
13. In accordance with the SFO lease paragraph 4.4 entitled, Adjustment for Vacant Premises, the adjustment is established as \$1.00 per USF for any vacant space.
14. In accordance with the SFO lease paragraph 4.6 entitled, Overtime Usage, the adjustment is established as \$45.00 per hour (4 hour minimum).
15. Information regarding Electronic Funds Transfer Payment Methods is provided in Paragraph 24, 552.232 -76, General Clauses, Form 3517B. Per the Debt Collection Improvement Act, effective July 27, 1996, Electronic Funds Transfer (EFT) shall be required on all existing and new lease contracts after January 1, 1998. An enrollment form is attached to be completed and returned with this contract.
16. The building known as City Centre, 310 S. Broadway, Rochester, MN 55904-5513 is owned by City Centre Rochester LLC, with Joe Weis, Chief Manager, having signatory authority.
17. The Lessor is a small business, not a woman-owned business nor a veteran-owned business concern. The Tax Identification Number is [REDACTED]
18. The Lessor's DUNS number is 968643663. The Lessor has registered his DUNS number in Central Contractor Registration (CCR) and will annually update this registry to assure monthly rental payments. Failure to do so will result in a stoppage of rent until CCR is successfully updated and GSA notified by the Lessor of the update.

INITIALS:     *JW*     LESSOR     *[Signature]*     GOVERNMENT

