LEASE AGREEMENT

FOR

RIVER CITY CENTRE

BY AND BETWEEN

ECONOMIC DEVELOPMENT AUTHORITY OF THE CITY OF SHAKOPEE, MINNESOTA

AND

Underground Brazilian Jiu Jitsu, LLC

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EXHIBIT "A" SITE PLAN AND FLOOR PLAN

EXHIBIT "B" LEGAL DESCRIPTION

EXHIBIT "C" LANDLORD'S WORK/TENANT'S WORK

EXHIBIT "D" GUARANTY AND AGREEMENT

EXHIBIT "E" GENERAL SPECIFICATIONS FOR TENANT'S ALTERATIONS OR IMPROVEMENTS

EXHIBIT "F" - SIGN CRITERIA

SHAKOPEE RIVER CITY CENTRE LEASE

This Lease between the Economic Development Authority of the City of Shakopee, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota ("Landlord"), and Underground Brazilian Jiu Jitsu, LLC, a Minnesota limited liability company ("Tenant") is made effective as of June 1, 2024.

1. LEASE OF PREMISES

In consideration of the Rent (as defined in Section 5.01) and the provisions of this Lease, Landlord leases to Tenant and Tenant leases from Landlord the Premises as described in Section 2.03 that are a part of Landlord's project described in Section 2.02 located at the River City Centre, Shakopee, Minnesota.

2. **DEFINITIONS**

As used in this Lease, the following terms shall have the following meanings:

- 2.01 River City Centre: The Scott County Housing and Redevelopment Authority, or, "HRA" (now known as the Scott County Community Development Agency) mixed-use development in downtown Shakopee, Minnesota along First Avenue and Lewis Streets consisting of:
 - (1) two three-story buildings, identified as Building A (west building) and Building B (east building) [each with retail/commercial space on the first floor and seniors' housing on the second and third floors; and Building B with a below-ground parking garage exclusively for the second and third story housing],
 - (2) adjacent public sidewalks,
 - (3) a surface public parking lot, and
 - (4) a public plaza area between the two buildings;

all on land owned in fee simple by the City of Shakopee that the EDA has leased from the City of Shakopee, Minnesota until June 30, 2035. Exhibit A is the site plan for River City Centre. The legal description for River City Centre is set forth in Exhibit B.

- <u>2.02</u> <u>Project</u>: The retail/commercial space on the first floors of Buildings A and B of River City Centre as shown on Exhibit A which Landlord has leased from the EDA through June 30, 2035 (subject to early termination by Landlord after June 30, 2025), to develop for subletting to retail and commercial users.
- <u>2.03</u> <u>Premises</u>: That portion of the Project located in River City Centre containing approximately 2,421 square feet of Leasable Area as located on Exhibit A, with a general mailing address of 215 1st Avenue East, Shakopee, MN, 55379.
- <u>2.04</u> <u>Tenant's Use Clause (Article 12):</u> Kickboxing, mixed martial arts and martial arts studio, sale of kickboxing, mixed martial arts and martial arts merchandise and related office use, and for no other use or purpose.

- 2.05 Projected Delivery Date: June 1, 2024.
- 2.06 Commencement Date: June 1, 2024.
- <u>2.07</u> <u>Expiration Date:</u> 36 full calendar months following the Commencement Date, unless otherwise extended or sooner terminated in accordance with the provisions of this Lease.
- <u>2.08</u> <u>Term:</u> The period commencing on the Commencement Date and expiring at midnight of the Expiration Date or as extended by the exercise of an option, if any, to extend the Term.
- <u>2.09</u> <u>Security Deposit (Section 10):</u> Landlord acknowledges receipt of a security deposit in the amount of \$1,750.00 (the "Security Deposit").
- 2.10 Intentionally deleted.

2.11 Monthly Installments of Gross Rent:

Period	Per Square	Monthly Gross Rent	Period Gross Rent
	Foot Per Year	•	
06/01/2024 - 05/31/2025	\$17.00	\$3,429.75	\$41,157.00
06/01/2025 - 05/31/2026	\$17.50	\$3,530.62	\$42,367.44
06/01/2026 - 05/31/2027	\$18.00	\$3,631.50	\$43,578.00

- 2.12 Tenant's Proportionate Share: Intentionally deleted.
- <u>2.13</u> <u>Leasable Area</u>: The respective measurements of floor area of the Premises and Project, respectively, as determined by Landlord and applied on a consistent basis throughout the Project.
- <u>2.14</u> <u>Estimated Monthly Project Operating Cost on Commencement Date:</u> Included in the Monthly Installments of Gross Rent.
- <u>2.15</u> <u>Estimated Monthly Real Estate Taxes and City Fees on Commencement Date</u>: Included in the Monthly Installments of Gross Rent.
- <u>2.16</u> Percentage Rent: Intentionally deleted.
- 2.17 Gross Sales: Intentionally deleted.
- <u>2.18</u> <u>Lease Year</u>: The period ending twelve (12) full consecutive calendar months after the date specified in section 2.06 and each subsequent period of twelve (12) full consecutive calendar months that ends within the Term. A part of the Term that is less than twelve (12) full calendar months, occurring after the last full lease year, is a Fractional Lease Year.
- 2.19 Landlord's Work and Tenant's Work: None.

2.20 State: The State of Minnesota.

2.21 Broker(s):

Landlord's Broker: None Tenant's Broker: None

<u>2.22 Landlord:</u> The Economic Development Authority of the City of Shakopee, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota, or such other person as succeeds, by operation of law or assignment, to its rights and obligations as landlord under this Lease and all of its interest in the Project (or such part of that interest) as is necessary to fulfill the landlord's obligations under this Lease.

2.23 Mailing Addresses for Notices:

Landlord's Mailing Address: Shakopee Economic Development Authority, Attn: Executive Director, 485 Gorman St., Shakopee, MN 55379 or email to: BReynolds@shakopeemn.gov

Tenant's Mailing Address: Notices shall be delivered to Tenant at the Premises or email to: john@rgjjmn.com

3. EXHIBITS AND ADDENDA

The exhibits and addenda listed below (unless lined out) are incorporated by reference in this Lease:

Addendum #1 - Other Terms and Conditions.

Exhibit A - Premises Location Plan.

Exhibit B - Legal Description of River City Centre.

Exhibit C – Landlord's Work/Tenant's Work.

Exhibit D – Guaranty and Agreement.

Exhibit E - General Specifications for Tenant's Alterations or Improvements.

Exhibit F - Sign Criteria.

4. DELIVERY OF POSSESSION

<u>4.01</u> Tenant is in possession of the Premises under an existing Lease Agreement dated January 23, 2021, as amended and assigned, with an expiration date of May 31, 2024.

4.02 Tenant shall continue in possession of the Premises under this Lease commencing on June 1, 2024.

5. RENT

5.01 <u>Definition of Rent</u>. All costs which Tenant agrees to pay to Landlord under this Lease shall be deemed additional rent (which, together with the Gross Rent is sometimes referred to as "Rent"). Rent shall be paid to the Landlord or at such place as Landlord may from time to time designate in writing, without any prior demand therefor and without deduction or offset, in lawful money of the United States of America.

<u>5.02</u> Payment of Rent. The monthly installments of Rent shall be payable in advance on or before the first day of each calendar month of the Term. If the Term begins (or ends) on other than the first (or last) day of a calendar month, the Gross Rent for the partial month shall be prorated on a per diem basis. Tenant shall pay Landlord the first Monthly Installment of Gross Rent when Tenant executes the Lease.

5.03 Allocation of Payments. Any payment by Tenant of an amount less than the Rent provided for in this Lease shall be applied to the earliest due Rent. No endorsement on any check or acceptance of any payment shall be deemed an accord and satisfaction, and Landlord may accept such check or payment without prejudice to Landlord's right to recover the balance of the Rent or pursue any other remedy provided for in this Lease. In connection with the foregoing, Landlord shall have the absolute right in its sole discretion to apply any payment received from Tenant to any obligation of Tenant.

- 5.04 Percentage Rent. Intentionally deleted.
- <u>5.05</u> Sales Statements and Payments. Intentionally deleted.
- 5.06 Records. Intentionally deleted.
- 5.07 Audits by Landlord; Adjustments. Intentionally deleted.

6. PROJECT OPERATING COSTS

Project Operating Costs shall be included in the Gross Rent figure. Project Operating Costs shall include all costs and expenses incurred by Landlord in connection with the Project other than costs of leasing to tenants, initial or expansion capital construction costs, depreciation of initial or expansion capital construction costs, interest on money borrowed for such construction costs and base rent due from Landlord to the EDA under Landlord's lease of the Project from EDA.

7. PROJECT TAXES

Intentionally deleted.

8. PAYMENT OF PROJECT OPERATING COSTS AND TAXES

- 8.01 Intentionally deleted.
- 8.02 Intentionally deleted.
- 8.03 Intentionally deleted.
- <u>8.04</u> <u>Dispute Resolution</u>. If any dispute arises as to the amount of any additional rent due hereunder, Tenant shall have the right after reasonable notice and at reasonable times to inspect Landlord's accounting records at Landlord's accounting office and, if after such inspection Tenant still disputes the amount of additional rent owed, a certification as to the proper amount shall be made by Landlord's certified public accountant, which certification shall be final and conclusive. Tenant agrees to pay the cost of such certification.
- 8.05 Other Taxes Payable by Tenant. Tenant shall reimburse Landlord upon demand for all taxes payable by Landlord (other than net Landlord's income taxes) which are not otherwise reimbursable under this Lease, whether or not now customary or within the contemplation of the parties, where such taxes are upon, measured by or reasonably attributable to (a) the cost or value of Tenant's equipment, furniture, fixtures and other personal property located in the Premises, or the cost or value of any leasehold improvements made to the Premises, regardless of whether title to such improvements is held by Tenant or Landlord; (b) the gross or net Rent payable under this Lease, including, without limitation, any rental or gross receipts tax levied by any taxing authority with respect to the receipt of the Rent hereunder; (c) the possession, leasing, operation, management, maintenance, alteration, repair, use or occupancy by Tenant of the Premises or any portion thereof; or (d) this transaction or any document to which Tenant is a party creating or transferring an interest in the Premises.

9. INTEREST AND LATE CHARGES

If Tenant fails to pay when due any Rent or other charges under the terms of this Lease, the unpaid amounts shall bear interest at fifteen percent (15%) per annum or the maximum rate then allowed by law, whichever is lower. Tenant acknowledges that the late payment of Rent will cause Landlord to lose the use of that money and incur costs and expenses not contemplated under this Lease, including without limitation, collection costs and accounting expenses, the exact amount of which is extremely difficult to ascertain. Therefore, in addition to interest, if any Rent is not received by Landlord within five (5) days from the date it is due, Tenant shall pay Landlord a late charge equal to eight percent (8.00%) of such amount. Landlord and Tenant agree that this late charge represents a reasonable estimate of such costs and expenses and is fair compensation to Landlord for the loss suffered from such non-payment by Tenant.

10. SECURITY DEPOSIT

10.01 Tenant has deposited with Landlord the Security Deposit set forth at Section 2.09, as security for Tenant's performance of its obligations under this

Lease. The Security Deposit may be commingled with other funds of Landlord, and Landlord shall have no obligation or liability for payment of interest on such deposit.

10.02 If Tenant fails to pay Rent or any other amount when due, or fails to perform any of the terms hereof, Landlord may use all or any portion of the Security Deposit for amounts then due and unpaid, for payment of any amount for which Landlord has become obligated as a result of Tenant's default, and for any loss sustained by Landlord as a result of Tenant's default. Landlord may use this deposit without prejudice to any other remedy Landlord may have. If Landlord uses any of the Security Deposit, Tenant shall, within ten (10) calendar days after written demand therefor, restore the Security Deposit to the full amount originally deposited. Tenant's failure to do so shall constitute an event of default hereunder and Landlord shall have the right to exercise any remedy provided for in Article 30. Within thirty (30) days after the Term has expired or Tenant has vacated the Premises, whichever shall last occur, and provided Tenant is not then in default on any of its obligations hereunder, Landlord shall return the Security Deposit to Tenant. If Landlord sells its interest in the Premises, Landlord may deliver the Security Deposit to the purchaser of Landlord's interest and thereupon be relieved of any further liability or obligation with respect to the Security Deposit.

11. UTILITY SERVICES.

- 11.01 Electricity, Gas, Water and Sewer. Landlord agrees to provide mains, conduits and other facilities to supply gas, water, sewer and electricity to the Premises or to nearby places. Tenant shall pay promptly, when billed, for all electricity, gas, water, rubbish removal and other utilities used in the Premises. If water or electricity or other utility charges are not separately metered and billed to Tenant, Landlord reserves the right either to estimate such a bill and to charge Tenant accordingly at rates prevailing in the nearby vicinity for similar service, or to require installation by Tenant of a meter. Without Landlord's prior written consent, gas shall not be used by Tenant for water heating. Tenant shall contact all utility companies (providing gas, electric, water, phone and data services) that provide utility services to the Premises on the Projected Delivery Date and request that the invoicing for all utilities servicing the Premises is changed into Tenant's name and made Tenant's responsibility upon the Projected Delivery Date.
- 11.02 Heating, Air Conditioning and Ventilating. Tenant agrees to accept and use such heating, air conditioning and ventilation system as is currently serving the Premises and to allow Landlord access to maintain, repair, and/or replace the system as necessary.
- 11.03 <u>Rubbish Removal</u>. Landlord has installed for Tenants' use a central trash disposal area the cost for which is included in the Gross Rent.
 - 11.04 <u>Discontinuance of Service</u>. Whenever any bills for rent, gas, water, electricity, air conditioning, rubbish removal, heating, ventilating, antenna service or any other service, are not promptly paid by Tenant; Landlord reserves the right to discontinue service, without liability to Tenant. No such action by Landlord, or notice thereof, shall be construed as an eviction or disturbance of possession or

as an election by Landlord to terminate this Lease.

- 11.05 Interruption of Service. Landlord shall not be liable in damages or otherwise if any utility service or other service to the Premises shall be interrupted or impaired by fire, accident, riot, strike, act of God, the making of necessary repairs or improvements or by any causes beyond Landlord's control.
- 11.06 Compliance with Laws. Tenant shall comply with all present and future laws, ordinances, rules, regulations, or governmental or quasi-governmental directives (including without limitation those requirements of the Occupational Safety and Health Administration that relate to the Premises) regarding the indoor air quality of the Premises and the maintenance of any heating, ventilating, and air conditioning equipment or system for which the Tenant is responsible pursuant to this Lease.

12. TENANT'S USE OF THE PREMISES

- <u>12.01</u> <u>Permitted Use.</u> Tenant shall use the Premises solely for the purposes set forth at Section 2.04. Tenant shall not conduct or permit auctions or sheriff's sales at the Property. Tenant shall not grant any concession, license or permission to any third party to sell merchandise or services in the Premises.
- 12.02 Manner of Use. Tenant shall not use or occupy the Premises in violation of any law or restriction affecting the Project or the Building in which the Premises is located and shall immediately discontinue any use of the Premises which is declared by any governmental authority to be a violation of law or the certificate of occupancy. Tenant shall, at Tenant's own cost and expense, comply with all laws, regulations, or directions of any governmental or quasi-governmental agency or authority which shall impose any duty upon Tenant or Landlord with respect to the Premises or their use or occupation. Tenant shall not do or permit to be done anything which will invalidate or increase the cost of any fire, extended coverage or other insurance policy covering the Project, and shall comply with all rules, orders, and recommendations. Tenant shall reimburse Landlord for any additional premium charged for such policy by reason of Tenant's failure to comply with the provisions of this Article. Tenant shall not do or permit anything to be done on or about the Premises which will interfere with the rights of other tenants or occupants of the Building in which located, or injure or annoy them, or use or allow the Premises to be used for any unlawful or objectionable purpose, nor shall Tenant cause, maintain or permit any nuisance in, on or about the Premises. Tenant shall not commit or suffer to be committed any waste in or upon the Premises.
- <u>12.03.</u> Hours of Business. Tenant will make reasonable effort to conduct its business on days and during hours generally observed in the area in which the Premises is located.
- 12.04 Continuous Occupancy. Tenant acknowledges that its continued occupancy of the Premises and the regular conduct of its business are of utmost importance to neighboring tenants and to Landlord in the renting of space in the Project, the efficient supply of services and utilities, and the maintenance of Percentage Rent,

where applicable. Tenant therefore agrees that it will occupy the entire Premises and comply strictly with the provisions of Section 12.04. Tenant acknowledges that Landlord is executing this Lease in reliance thereupon and that the same is a material element inducing Landlord to execute this Lease. Tenant further agrees that if it vacates or abandons the Premises or fails to so conduct its business therein or uses the Premises for any purpose not specifically herein authorized and allowed, then in addition to constituting a default hereunder, all rent reserved in this Lease shall immediately become due and payable.

- <u>12.05.</u> Intentionally deleted.
- <u>12.06.</u> Intentionally deleted.
- 12.07 <u>Display Windows</u>. Tenant shall keep display windows (if any) neatly dressed. Display windows and lighted signs (if any) shall be kept illuminated by Tenant after the Property closes for business for a period of time as determined by Landlord.
- 12.08 Tenant shall not: 1) place or maintain any merchandise or other objects outside the perimeter of the Premises without written permission from the Landlord (which will not be unreasonably withheld) and from the City of Shakopee or other governing authority; 2) use or permit the use of any loud speakers, flashing, moving and/or rotating lights, sound amplifiers, musical instruments, or television or radio broadcasts which are in any manner audible or visible outside the Premises; 3) permit accumulations of garbage or other refuse within the Premises; 4) permit odors to emanate from the Premises; 5) permit the parking of delivery vehicles so as to interfere with the use of any driveway, walk, parking area adjacent to the Project; or 6) overload the electrical wiring serving the Premises, and will install any additional electrical wiring which may be required at its expense, which installation shall be permitted by Landlord, provided it can obtain EDA approval, if required.
- 12.09 Load and Equipment Limits. Tenant shall not place a load upon any floor of the Premises which exceeds the load per square foot which such floor was designed to carry, as determined by Landlord or Landlord's structural engineer. The cost of any such determination made by Landlord's structural engineer shall be paid for by Tenant upon demand. Tenant shall not install machinery or mechanical equipment which causes noise or vibration to such a degree as to be objectionable to Landlord or other Building tenants.

13. CONDITION OF THE PREMISES

Tenant's taking possession of the Premises shall be deemed conclusive evidence that the Premises are in satisfactory condition, except for such matters as to which Tenant gives written notice to Landlord on or before the Commencement Date. No promise of Landlord to alter, remodel, repair or improve the Premises or the Project and no representation, express or implied, respecting any matter or thing relating to the Premises, Project or this Lease (including, without limitation, the condition of the Premises or the Project) have been made to Tenant by Landlord

or its Broker or Sales Agent, other than as may be contained herein or in a separate exhibit or addendum signed by Landlord and Tenant.

14. MAINTENANCE AND REPAIRS

- 14.01 Landlord Maintenance of Structural Components, Plaza and Sidewalks. Landlord shall cause the structural walls, foundation, exterior walls, roofs, plaza, and sidewalks of, or serving, the Project and Premises to be kept and maintained in good condition. As between Landlord and Tenant, Landlord shall be responsible for the costs of such repairs or maintenance (except to the extent repairs, maintenance or replacement are made necessary by the abuse, misuse or negligence of Tenant, its employees, agents or contractors, in which case Tenant shall be responsible for paying for required repairs, maintenance or replacements).
- Landlord Maintenance of Electrical, Plumbing, HVAC, Doors and Windows. Landlord shall cause, and pay for, the electrical, plumbing, heating, ventilating and air conditioning systems, doors and windows that are existing within the Premises as of the Projected Delivery Date to be kept and maintained in good condition. Tenant shall not be responsible for the cost of the required or eventual replacement of such systems and items (unless such replacement is made necessary by the abuse, misuse or negligence of Tenant, its employees, agents, guests, visitors, or contractors, in which case Tenant shall be responsible for paying for all required repairs, maintenance or replacements).
- Limitation of Landlord's Liability. Except as otherwise expressly provided in this Lease, Landlord shall have no liability to Tenant nor shall Tenant's obligations under this Lease be reduced or abated by reason of any inconvenience, annoyance, interruption or injury to business arising from Landlord's making or causing any repairs or changes which Landlord by this Lease or by any other tenant's lease or required by law. Landlord shall nevertheless use reasonable efforts to minimize any interference with Tenant's business in the Premises.
- 14.04 Tenant Maintenance at Tenant's Expense. Tenant shall, at Tenant's sole expense, keep any and all components of the Premises not described in Sections 14.01 and 14.02 and all fixtures and equipment in the Premises in good repair and safe and working condition, and in full compliance with all laws, ordinances and regulations applicable to Tenant's particular use of the Premises, making whatever maintenance, repairs and replacement may from time to time be necessary under the circumstances. If Tenant fails to properly perform its maintenance duties with respect to the Premises, Landlord may undertake such maintenance and recover from Tenant as Rent any amounts so paid, together with interest thereon at the rate of fifteen percent (15%) per annum, or the maximum rate allowed by law, whichever is lower.

15. ALTERATIONS AND ADDITIONS

15.01 Tenant shall not make any addition or alterations to the Premises without obtaining the prior written consent of Landlord, which consent may be withheld in

Landlord's sole discretion or may be conditioned on Tenant's removing any such additions or alterations upon the expiration of the Term and restoring the Premises to the same condition as on the date Tenant took possession or on other requirements of Landlord. All work shall be done in a good and workmanlike manner by licensed personnel approved by Landlord. Tenant shall be responsible to maintain, repair and/or replace any and all additions or alterations made to or within the Premises.

15.02 Tenant shall pay the costs of any work done on the Premises pursuant to Section 14.02 and 14.04, and shall keep the Premises and Project free and clear of liens of any kind. Tenant shall indemnify, defend against and keep Landlord free and harmless from all liability, loss, damage, costs, attorneys' fees and any other expense incurred on account of claims by a person performing work or furnishing materials or supplies for Tenant or any person claiming under Tenant.

15.03 Tenant shall keep Tenant's leasehold interest free and clear of all attachment or judgment liens. Before the actual commencement of any work Tenant shall give Landlord sufficient notice to enable Landlord to post notices of non-responsibility for the proper protection of Landlord's interest, and Landlord shall have the right to enter the Premises and post such notices at any reasonable time.

15.04 Landlord may require, at Landlord's sole option, that Tenant provide, at Tenant's expense, a payment and performance bond at least one and one-half (1-1/2) times the total estimated cost of any additions or alterations to protect Landlord and its lessor, the EDA and the fee owner, against liens and to insure timely completion of the work.

15.05 Unless their removal is required by Landlord as provided in Section 15.01, all additions or alterations shall become the property of Landlord upon the expiration of the Term; provided, however, Tenant's equipment, machinery and trade fixtures which can be removed without damage to the Premises shall remain the property of Tenant and may be removed, subject to the provisions of Section 16.02.

16. LEASEHOLD IMPROVEMENT; TENANT'S PROPERTY

16.01 All fixtures, equipment, and improvements attached to or built into the Premises, whether or not by or at the expense of Tenant, shall be and remain a part of the Premises, shall be the property of Landlord and shall not be removed by Tenant, except as expressly provided in Section 16.02 or required pursuant to Section 15.01.

16.02 All movable partitions, business and trade fixtures, machinery and equipment, communications equipment and office equipment located in the Premises and acquired by or for the account of Tenant, without expense to Landlord, which can be removed without damage to the Project, and all furniture and other articles of movable personal property owned by Tenant ("Tenant's

Property") shall be and shall remain the property of Tenant and may be removed by Tenant at any time during the Term. Tenant shall promptly repair any damage to the Premises or to the Building resulting from such removal.

16.03 Intentionally deleted.

17. RULES AND REGULATIONS

Tenant agrees to comply with all rules and regulations for the safe, efficient and lawful operation of the Project as Landlord may from time to time make.

18. CERTAIN RIGHTS RESERVED BY Landlord

18.01 Landlord reserves the following rights, exercisable without liability to Tenant:

- a. To name the Project and to change the name or street address of the Premises or Project;
- b. To approve all signs on the exterior of the Premises and Project;
- c. To have pass keys to the Premises and all doors within the Premises, excluding Tenant's vaults and safes;
- d. On reasonable prior notice to Tenant, to inspect the Premises, and to show the Premises to any prospective purchaser or mortgagee of the Project, or to others having an interest in the Project or Landlord, and during the last six months of the Term, to show the Premises to prospective tenants thereof; and
- e. To enter the Premises to make inspections, repairs, alterations, or additions to the Premises or the Project or the Buildings of which it is a part, and to take all steps as may be necessary or desirable for the safety, protection, maintenance or preservation of the Premises or the Building or Landlord's interest therein, or as may be necessary for the operation or improvement of the Building or in order to comply with laws or requirements of governmental or other authority. Landlord agrees to use its best efforts (except in an emergency) to minimize interference with Tenant's business in the Premises in the course of any such entry.

f.

19. ASSIGNMENT AND SUBLETTING

19.01 Tenant shall not assign this Lease or sublet all or any part of the Premises without the prior written consent of Landlord, which consent may be withheld at Landlord's sole discretion. If Tenant is a corporation, partnership or limited liability entity, any cumulative transfer of fifty percent (50%) or greater interest in such entity shall be considered an assignment and shall require the consent of Landlord as described herein. Tenant shall pay to Landlord fifty percent (50%) of any sums

or other economic consideration received by Tenant as a result of such assignment or subletting, however denominated under the assignment or sublease, which exceed, in the aggregate, the total sums which Tenant is obligated to pay Landlord for such period under this Lease (prorated to reflect obligations allocable to any portion of the Premises subleased). If applicable, Tenant will be responsible for any real estate brokerage commissions or fees payable in connection with such assignment or subletting this Lease without affecting or reducing any other obligations of Tenant hereunder.

19.02 Notwithstanding the provisions of Section 19.01, Tenant may assign this Lease or sublet the Premises or any portion thereof, without Landlord's consent to any corporation which controls, is controlled by or is under common control with Tenant, or to any corporation resulting from a merger or consolidation with Tenant, or to any person or entity which acquires all the assets and obligations of Tenant's business.

19.03 No subletting or assignment shall relieve Tenant of the obligation to pay Rent and to perform all other obligations under this Lease. In the event of default by an assignee or subtenant of Tenant or any successor of Tenant in the performance of any of the terms hereof, Landlord may proceed directly against Tenant without the necessity of exhausting remedies against such assignee, subtenant or successor.

19.04 If Tenant requests the consent of Landlord to any assignment or subletting, then Tenant shall, upon demand, pay Landlord any attorneys' fees reasonably incurred by Landlord in considering such act or request.

20. HOLDING OVER

If after expiration of the Term, Tenant remains in possession of the Premises with Landlord's permission (express or implied), Tenant shall become a tenant from month to month only, upon all the provisions of this Lease (except as to term and Gross Rent), but the "Monthly Installments of Gross Rent" payable by Tenant shall be increased to one hundred fifty percent (150%) of the Monthly Installments of Gross Rent payable by Tenant at the expiration of the Term. Such monthly rent shall be payable in advance on or before the first day of each month. If either party desires to terminate such month-to-month tenancy, it shall give the other party not less than thirty (30) days advance written notice of the termination date, which shall always be the last day of a calendar month.

21. SURRENDER OF PREMISES

<u>21.01</u> Tenant shall surrender the Premises to Landlord on the Expiration Date or upon earlier termination of this Lease, in broom-clean condition and in as good condition as when Tenant took possession, except for reasonable wear and tear, loss by fire or other casualty, or loss by condemnation. Tenant shall remove Tenant's Property on or before the Expiration Date and promptly repair all damage to the Premises or Building caused by such removal or by Tenant's use of the Premises. On the Expiration Date, Tenant shall surrender all keys to the Premises.

<u>21.02</u> If Tenant abandons or surrenders the Premises, or is dispossessed by process of law or otherwise, any of Tenant's Property left on the Premises shall be deemed to be abandoned, and, at Landlord's option, title shall pass to Landlord under this Lease as by a bill of sale. If Landlord elects to remove all or any part of such Tenant's Property, the cost of removal, including repairing any damage to the Premises or Building caused by such removal, shall be paid by Tenant.

21.03 No act of Landlord, including the acceptance of keys to the Premises, shall constitute an acceptance of the surrender of the Premises before the expiration of the Term. Only a written notice from Landlord to Tenant shall constitute acceptance of the surrender of the Premises and accomplish a termination of the Lease.

<u>21.04</u> Tenant shall be responsible for all consequential damages to Landlord as a result of Tenant's failure to surrender the Premises in accordance with this Lease, and this clause shall survive the termination of the Lease.

22. DESTRUCTION OR DAMAGE

<u>22.01</u> If the Premises in whole or in part is damaged by fire, earthquake, act of God, the elements or other casualty, Landlord may elect to repair such damage by giving Tenant written notice within one hundred (100) days of the date of such casualty and this Lease shall remain in full force and effect. If such damage is not the result of the negligence or willful misconduct of Tenant or Tenant's agents, employees, contractors, licensees or invitees, the Gross Rent shall be abated to the extent Tenant's use of the Premises is impaired, commencing with the date of damage and continuing until completion of the repairs required of Landlord. If Landlord does not so elect to make such repairs, this Lease shall terminate as of the date of such fire or other casualty.

<u>22.02</u> If the Premises are to be repaired under this Article, Tenant shall be responsible at its sole cost and expense for the repair, restoration and replacement of Tenant's Property as described in Section 16.02 and any improvements or alterations that Tenant is obligated to remove at the end of the Term pursuant to Section 15.01. As between Landlord and Tenant, Landlord shall be responsible for the cost of repair, and causing the repair, of the Project and Premises, except as provided in the preceding sentence, which repair shall restore the Premises to a condition complying with the current building and fire codes and otherwise suitable for Tenant's purposes. Landlord shall not be liable for any loss of business inconvenience or annoyance arising from any repair or restoration of any portion of the Premises or Project as a result of any damage from fire or other casualty.

23. EMINENT DOMAIN

23.01 If the whole of the Project or Premises is lawfully taken by condemnation or under threat thereof or in any other manner for any public or quasi-public purpose

this Lease shall terminate as of the date of such taking, and Rent shall be prorated to such date. If less than the whole of the Project or Premises is so taken, this Lease shall be unaffected by such taking, provided that: a) Tenant shall have the right to terminate this Lease by notice to Landlord given within twenty (20) days after the date of such taking if twenty percent (20%) or more of the Premises is taken and the remaining area of the Premises is not reasonably sufficient for Tenant to continue operation of its business, and b) Landlord shall have the right to terminate this Lease by notice to Tenant given within ninety (90) days after the date of such taking. If either Landlord or Tenant so elects to terminate this Lease, the Lease shall terminate on the thirtieth (30th) day after either such notice. The Rent shall be prorated to the date of termination, if this Lease continues in force upon such partial taking, the Gross Rent and Tenant's Proportionate Share shall be equitably adjusted according to the remaining Leasable Area of the Premises and Project.

23.02 In the event of any taking, partial or whole, as between Landlord and Tenant, all of the proceeds of any award, judgment or settlement payable by the condemning authority shall be the exclusive property of Landlord or its lessor. Tenant, however, shall have the right, to the extent that Landlord's, its lessor's and the fee owner's awards are not reduced or prejudiced, to claim from the condemning authority (but not from Landlord) such compensation as may be recoverable by Tenant in its own right for relocation expenses and damage to Tenant's personal property.

<u>23.03</u> In the event of a partial taking of the Premises, or transfer under threat thereof, which does not result in a termination of this Lease as between Landlord and Tenant, Landlord shall be responsible for the cost of restoring and causing restoration, of the remaining portion of the Premises as nearly as practicable to its condition prior to the condemnation taking subject to then current building and fire codes.

24. INDEMNIFICATION

24.01 Tenant shall indemnify and hold Landlord and its managing agent harmless against and from liability and claims of any kind for loss or damage to property of Tenant or any other person, or for any injury to or death of any person, arising out of: a) Tenant's use and occupancy of the Premises, or any work, activity or other things allowed by Tenant to be done in or about the Premises; b) any breach or default by Tenant of any of Tenant's obligations under this Lease; or c) any negligent or otherwise tortious act or omission of Tenant, its agents, employees, invitees or contractors. Tenant shall at Tenant's expense, and by counsel satisfactory to Landlord, defend Landlord and its managing agent in any action arising from any such claim and shall indemnify Landlord and its managing agent against all costs, attorneys' fees, expert witness fees and any other expenses incurred in such action. As a material part of the consideration for Landlord's execution of this Lease, Tenant hereby assumes all risk of damage or injury to any person or property in or about the Premises from any cause other than Landlord's gross negligence or intentional misconduct, including, without limitation, from environmental contamination from any source whatsoever.

<u>24.02</u> Landlord shall not be liable for injury or damage which may be sustained by the person or property of Tenant, its employees, invitees or customers, or any other person in or about the Premises, caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures, whether such damage or injury results from conditions arising upon the Premises or upon other portions of the Project or from other sources. Landlord shall not be liable for any damages arising from any act or omission of any other tenant of the Project or Building in which the Premises is located.

25. TENANT'S INSURANCE

25.01 All insurance required to be carried by Tenant hereunder shall be issued by responsible insurance companies acceptable to Landlord and Landlord's lessor and lender and qualified to do business in the State. Landlord, Landlord's lessor, and any mortgagee of Landlord, must be named as additional insureds. Each policy shall contain: a) a cross-liability endorsement; b) a provision that such policy shall be primary and non-contributing with respect to any policies carried by Landlord and that any coverage carried by Landlord shall be excess insurance; and c) a waiver by the insurer of any right of subrogation against Landlord, its agents, employees and representatives, which arises under such policy or by reason of any act or omission of Landlord, its agents, employees or representatives. A certificate of the insurer evidencing the existence and amount of each insurance policy required hereunder shall be delivered to Landlord before the date Tenant is first given the right of possession of the Premises, and thereafter within ten (10) days after any demand by Landlord therefor. No such policy shall be cancelable, except after thirty (30) days written notice to Landlord and Landlord's lender. Tenant shall furnish Landlord with renewals or "binders" of any such policy at least ten (10) days prior to the expiration thereof. Tenant agrees that if Tenant does not take out and maintain such insurance, Landlord may (but shall not be required to) procure insurance on Tenant's behalf and charge the Tenant the premiums together with a twenty-five percent (25%) handling charge, payable upon demand. Tenant shall have the right to provide such insurance coverage pursuant to blanket policies, provided such blanket policies expressly afford coverage to the Premises, Landlord, Landlord's lessor and mortgagee and Tenant as required by this Lease.

<u>25.02</u> Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall maintain in effect policies of casualty insurance covering: a) fire and extended coverage insurance, including protection against vandalism and malicious mischief, plus "all-risk" endorsements insuring Tenant's property as described in Section 16.02 and any improvements or alterations that Tenant is obligated to remove at the end of the Term in Section 15.01 and any other personal property within the Premises whether owned by Tenant, its agents, employees, invitees, customers, contractors or others.

<u>25.03</u> Beginning on the date Tenant is given access to the Premises for any purpose and continuing until expiration of the Term, Tenant shall maintain in effect workers' compensation insurance as required by law and comprehensive public liability and property damage insurance with respect to the construction of improvements on the Premises, the operation of the Premises and the operations of Tenant in or about the Premises providing personal injury and broad form property damage coverage for not less than Two Million Dollars (\$2,000,000.00) combined single limit for bodily injury, death and property damage liability (which dollar amount shall be adjusted every fifth anniversary of October 1, 1997, based upon changes in the Consumer Price Index for the Minneapolis-St. Paul Metropolitan Area).

26. WAIVER OF SUBROGATION

Landlord and Tenant each hereby waive all rights of recovery against the other and against the officers, employees, agents and representatives of the other, on account of loss by or damage to the waiving party of its property or the property of others, to the extent that such loss or damage is insured against under any fire and extended coverage insurance policy which either may have in force at the time of the loss or damage or would have been covered if Tenant had the insurance required for this Lease. Tenant shall give notice to its insurance carriers that the foregoing mutual waiver of subrogation is contained in this Lease.

27. SUBORDINATION AND ATTORNMENT

<u>27.01</u> Within ten (10) calendar days after written request of Landlord, or any mortgagee or beneficiary of Landlord, Tenant shall, in writing, subordinate its rights under this Lease to the lien of any mortgage of Landlord's interest in the Project, and to all advances made thereunder. However, as long as Tenant is not in default hereunder, this Lease shall remain in effect for the full Term.

<u>27.02</u> In the event of any foreclosure sale, transfer in lieu of foreclosure or termination of Landlord's lease of the Project from the EDA or any of the lease of all or part of the Project in which Landlord is lessee, Tenant shall attorn to the purchaser, transferee or lessor as the case may be, and recognize that party as Landlord under this Lease.

28. TENANT ESTOPPEL CERTIFICATES

Within ten (10) days after written request from Landlord, Tenant shall execute and deliver a written statement certifying that this Lease is unmodified and in full force and effect, or is in full force and effect as modified and stating the modifications; the amount of Gross Rent and the date to which Gross Rent and additional rent have been paid in advance; the amount of any security deposited with Landlord; and that Landlord is not in default hereunder or, if Landlord is claimed to be in

default, stating the nature of any claimed default. Any such statement may be relied upon by a purchaser, assignee or lender. Tenant's failure to execute and deliver such statement within the time required shall at Landlord's election be a default under this Lease and shall also be conclusive upon Tenant that this Lease is in full force and effect and has not been modified except as represented by Landlord; that there are no uncured defaults in Landlord's performance and that Tenant has no right of offset, counterclaim or deduction against Rent.

29. TRANSFER OF LANDLORD'S INTEREST

In the event of any sale or transfer by Landlord of its interest in the Premises or Project, and assignment of this Lease by Landlord, Landlord shall be and is hereby entirely freed and relieved of any and all liability and obligations contained in or derived from this Lease occurring after the consummation of such sale or transfer. If any security deposit or prepaid Rent has been paid by Tenant, Landlord may transfer the security deposit or prepaid Rent to Landlord's successor and Landlord shall be relieved of any and all further liability with respect thereto.

30. DEFAULT

<u>30.01</u> Events of Default by Tenant. The occurrence of any one or more of the following matters constitutes a Default by Tenant under this Lease:

- Failure by Tenant to pay Rent or any other amounts required under this Lease within three (3) days after such payment is due and payable;
- b. Failure by Tenant to observe or perform any of the covenants with respect to assignment and subletting set forth in Article 19;
- c. Failure by Tenant to comply with Tenant's obligations set forth in Article 40:
- d. Failure by Tenant to cure any hazardous condition which Tenant has created in violation of law or of this Lease;
- e. Failure by Tenant to observe or perform any other provision of this Lease, if such failure continues for thirty (30) days after notice thereof from Landlord to Tenant;
- f. The levy upon, under writ of execution or the attachment by legal process of, the leasehold interest of Tenant, or the creation of a lien with respect to such leasehold interest;
- g. Tenant vacates or abandons the Premises or fails to take possession of the Premises when available for occupancy whether or not Tenant continues to pay Rent due under this Lease;
- h. Tenant becomes insolvent or bankrupt or admits in writing its inability

to pay its debts as they mature, or makes an assignment for the benefit of creditors, or consents to the appointment of a trustee or receiver for Tenant or for the major part of its property;

- A trustee or receiver is appointed for Tenant or for the major part of its property;
- j. Any bankruptcy, reorganization, arrangement, insolvency or liquidation proceeding, or other proceeding for relief under any bankruptcy law, or similar law for the relief of debtors, is instituted by Tenant or against Tenant and is allowed against it, or is consented to by it or is not dismissed within sixty (60) days after such institution.

30.02 Rights and Remedies of Landlord. If a Default occurs, Landlord shall have the rights and remedies hereinafter set forth, which shall be distinct, separate and cumulative and shall not operate to exclude or deprive Landlord of any other right or remedy allowed it by law:

- Landlord may terminate this Lease by giving to Tenant notice of Landlord's election to do so and all right, title and interest of Tenant hereunder shall expire, on the date stated in such notice;
- Landlord may terminate the right of Tenant to possession of the Premises without terminating this Lease by giving notice to Tenant that Tenant's right to possession shall end on the date stated in such notice;
- c. Landlord may enforce the provisions of this Lease and may enforce and protect the rights of Landlord hereunder by a suit for the specific performance of any covenant contained herein, or for the enforcement of any other appropriate legal remedy, including recovery of all amounts due or to become due from Tenant under any of the provisions of this Lease.

30.03 Right to Re-Enter. If Landlord exercises any of the remedies provided in Section 30.02, Tenant shall vacate the Premises and immediately deliver possession thereof to Landlord, and Landlord may reenter and take complete possession of the Premises, full and complete license to do so being hereby granted to Landlord, and Landlord may remove all occupants and property therefrom, without being deemed guilty in any manner of trespass, eviction or forcible entry and without relinquishing Landlord's right to Rent or any other right given to Landlord hereunder.

30.04 <u>Current Damages</u>. If Landlord terminates the right of Tenant to possession of the Premises without terminating this Lease, Landlord shall have the right to immediate recovery of all amounts then due hereunder. Such termination of possession shall not release Tenant, in whole or in part, from Tenant's obligation to pay Rent hereunder for the full Term, and Landlord shall have the right to recover

from Tenant, and Tenant shall remain liable for, all Rent and any other sums accruing under this Lease during the period from the date of such notice of termination of possession to the stated end of the Term. Landlord may relet the Premises or any part thereof for the account of Tenant upon such terms as Landlord shall determine and may collect the rents from such reletting. Landlord shall not be required to accept any tenant offered by Tenant or to observe any instructions given by Tenant relative to such reletting. Landlord may make repairs. alterations and additions in or to the Premises and redecorate the same to the extent deemed by Landlord necessary or desirable and change the locks to the Premises. Tenant upon demand shall pay the cost of all of the foregoing together with expenses of reletting. The rents from any such reletting shall be applied first to the payment of the expenses of re-entry, reletting, redecoration, repair and alterations and second to the payment of Rent to be paid by Tenant. Any excess shall be credited against the amount of Rent which becomes due and payable hereunder any such excess shall belong to Landlord solely. No such reentry or repossession, repairs, alterations and additions, or reletting shall be construed as an election on Landlord's part to terminate this Lease, unless a written notice of such intention is given to Tenant, or shall operate to release Tenant in whole or in part from any of Tenant's obligations hereunder. Landlord may sue and recover judgment for any deficiencies remaining after the application of the proceeds of any such reletting.

30.05 Final Damages. If this Lease is terminated by Landlord pursuant to Section 30.02, Landlord shall be entitled to recover from Tenant all Rent accrued and unpaid for the period up to and including such termination date, as well as all other additional sums for which Tenant is liable under this Lease, and all costs, including court costs and attorneys' fees incurred by Landlord in the enforcement of its rights and remedies hereunder. Landlord shall be entitled to recover as damages a) the unamortized portion of Landlord's contribution to the cost of tenant improvements and alterations, if any, installed by either Landlord or Tenant pursuant to this Lease, b) the aggregate Rents which would have been payable after the termination date had this Lease not been terminated, and c) any damages in addition thereto, including reasonable attorneys' fees and court costs, which Landlord sustains as a result of the breach of any of the covenants of this Lease other than for the payment of Rent.

30.06 Removal of Personal Property. All property of Tenant removed from the Premises by Landlord pursuant to any provision of this Lease or applicable law may be handled, removed or stored by Landlord at the cost and expense of Tenant, and Landlord shall not be responsible for the value, preservation or safekeeping thereof. Tenant shall pay Landlord for all expenses incurred by Landlord with respect to such removal and storage. All such property not removed from the Premises or retaken from storage by Tenant within thirty (30) days after the end of the Term, however terminated, shall be conclusively deemed to have been conveyed by Tenant to Landlord as by bill of sale.

30.07 <u>Default by Landlord</u>. Failure by Landlord to observe or perform any of its obligations under this Lease, if such failure continues for thirty (30) days after

notice thereof from Tenant to Landlord constitutes a default by Landlord under this Lease. In the event of such Default by Landlord, Tenant shall have no right to terminate this Lease or withhold Rent; Tenant's sole remedy shall be an action for specific performance against Landlord to compel performance of the obligation or obligations that Tenant claims Landlord has failed to observe or perform. Landlord will be responsible for Tenant's reasonable attorneys' fees incurred in any litigation by Tenant to enforce Landlord's obligations under this Lease if Tenant is the prevailing party.

30.08 Attorneys' Fees. Tenant shall pay all of Landlord's costs including court costs and attorneys' fees, incurred in enforcing Tenant's obligations under this Lease, incurred by Landlord in any action brought by Tenant in which Landlord is the prevailing party, or incurred by Landlord in any litigation, negotiation or transaction in which Tenant causes Landlord, without Landlord's fault, to become involved.

30.09 No Waiver. No delay or omission in the exercise of any right or remedy of Landlord or Tenant upon any Default by the other shall impair such right or remedy or be construed as a waiver of such default. The receipt and acceptance by Landlord of delinquent Rent shall not constitute a waiver. Any waiver by Landlord or Tenant of any default by the other must be in writing and shall not be a waiver of any similar default in the future or any other default concerning any other provision of the Lease.

31. BROKERAGE FEES

Tenant warrants and represents that it has not dealt with any real estate broker or agent in connection with this Lease or its negotiation. Tenant shall indemnify Landlord from any expense or liability (including costs of suit and reasonable attorneys' fees) for any compensation, commission or fees claimed by any other real estate broker or agent in connection with this Lease.

32. NOTICES

All notices, required to be given under this Lease shall be in writing and deemed duly served or given if personally delivered, sent by email, or sent by certified or registered U.S. mail, postage prepaid, and addressed if to Landlord, to Landlord's Mailing Address (see also Article 2.23 herein); and if to Tenant, to Tenant's Mailing Address or if delivered or mailed to Tenant at the Premises. Landlord and Tenant may from time to time by notice to the other designate another place for receipt of future notices.

33. QUIET ENJOYMENT

Tenant, upon paying the Rent and performing all of its obligations under this Lease, shall enjoy the Premises, subject to the terms of this Lease and to any mortgage, lease, or other agreement to which this Lease may be subordinate.

34. OBSERVANCE OF LAW

Tenant shall, at its sole cost and expense, promptly comply with all laws and

governmental regulations or requirements now in force or which may hereafter be in force, and with the requirements of any board of fire insurance underwriters or other similar bodies now or hereafter constituted, relating to the occupancy of the Premises, excluding structural changes not related to Tenant's occupation of the Premises and the Project.

35. FORCE MAJEURE

Any prevention or delay of work to be performed by Landlord or Tenant which is due to strikes, labor disputes, inability to obtain labor, materials, equipment or reasonable substitutes therefor, acts of God, governmental restrictions or regulations, judicial orders, hostile government actions, civil commotion, fire or other casualty, or other causes beyond the reasonable control of the party obligated to perform hereunder, shall excuse performance of the work by that party for a period equal to the duration of that prevention or delay. Nothing in this Article shall excuse or delay Tenant's obligation to pay Rent or other charges under this Lease.

36. CURING TENANT'S DEFAULTS

If Tenant defaults in the performance of any of its obligations under this Lease, Landlord may (but shall not be obligated to) without waiving such default, perform the same at the expense of Tenant. Tenant shall pay Landlord all costs of such performance promptly upon receipt of a bill therefor.

37. SIGN CONTROL

Tenant shall not affix, paint, erect or inscribe any sign, projection, awning, signal or advertisement of any kind to any part of the Premises, Building or Project, including without limitation, the inside or outside of windows or doors, without the written consent of Landlord. Landlord shall have the right to remove any signs or other matter, installed without Landlord's permission, without being liable to Tenant for such removal, and to charge the cost of removal to Tenant. See also Exhibit "F".

38. HAZARDOUS SUBSTANCES

38.01 Defined Terms.

- a. "Claim" shall mean and include any demand, cause of action, proceeding or suit for any one or more of the following: 1) actual or punitive damages, losses, injuries to person or property, damages to natural resources, fines, penalties, interest, contribution or settlement; 2) the costs of site investigations, feasibility studies, information requests, health or risk assessments, or Response (as hereinafter defined) actions; and 3) enforcing insurance, contribution or indemnification agreements.
- b. "Environmental Laws" shall mean and include all federal, state and local statutes, ordinances, regulations and rules relating to environmental quality, health, safety, contamination and clean-up,

including, without limitation, the Clean Air Act, 42 U.S. C. Section 7401 et seg.; the Clean Water Act, 33 U.S.C. Section 1251 et seg. and the Water Quality Act of 1987; the Federal Insecticide, Fungicide, and Rodenticide Act ("FIFRA"), 7 U.S.C. Section 136 et seg.; the Marine Protection, Research, and Sanctuaries Act, 33 U.S.C., Section 1401 et seq.; the National Environmental Policy Act, 42 U.S.C. Section 4321 et seg.; the Noise Control Act, 42 U.S.C. Section 4901 et seq.; the Occupational Safety and Health Act, 29 U.S.C. Section 651 et seq.; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. Section 6901 et seq., as amended by the Hazardous and Solid Waste Amendments of 1984; the Safe Drinking Water Act, 42 U.S.C. Section 300f et seq.; the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), 42 U.S.C. Section 9601 et seq., as amended by the Superfund Amendments and Reauthorization Act: the Emergency Planning and Community Right-to-Know Act, and Radon Gas and Indoor Air Quality Research Act; the Toxic Substances Control Act ("TSCA"), 15 U.S.C. Section 2601 et seq.; the Atomic Energy Act, 42 U.S.C. Section 2011 et seq.; the Nuclear Waste Policy Act of 1982, 42 U.S.C. Section 10101 et seq.; the Minnesota Environmental Response and Liability Act ("MERLA"), Minn. Stat. Ch. 115B; and the state superlien and environmental clean-up statutes, with implementing regulations and guidelines, as amended from time to time. Environmental Laws shall also include all state, regional, county, municipal and other local laws, regulations, and ordinances insofar as they are equivalent or similar to the federal laws recited above or purport to regulate Hazardous Materials (as hereinafter defined).

"Hazardous Materials" shall mean and include the following, C. including mixtures thereof: any hazardous substance, pollutant, contaminant, waste, by-product or constituent regulated under CERCLA; oil and petroleum products and natural gas, natural gas liquids, liquefied natural gas and synthetic gas usable for fuel; pesticides regulated under the FIFRA; asbestos and asbestos containing materials, PCBs, and other substances regulated under the TSCA; source material, special nuclear material, by-product material and any other radioactive materials or radioactive wastes, however produced, regulated under the Atomic Energy Act or the Nuclear Waste Policy Act; chemicals subject to the OSHA Hazard Communication Standard, 29 C.F.R. Section 1910.1200 et seq.; and industrial process and pollution control wastes, whether or not hazardous within the meaning of RCRA; any substance whose nature and/or quantity or existence, use, manufacture, disposal or effect render it subject to federal, state or local regulation, investigation, remediation, or removal as potentially injurious to public health or welfare.

- d. "Use" means to manage, generate, manufacture, process, treat, store, use, re-use, refine, recycle, reclaim, blend or burn for energy recovery, incinerate, accumulate speculatively, transport, transfer, dispose of, or abandon Hazardous Materials.
- e. "Release" or Released" shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping, or disposing of Hazardous Materials into the environment, as "environment" is defined in CERCLA.
- f. "Response" or "Respond" shall mean action taken in compliance with Environmental Laws to correct, remove, remediate, cleanup, prevent, mitigate, monitor, evaluate, investigate, assess or abate the Release of a Hazardous Material.
- <u>Tenant's Obligations with Respect to Environmental Matters.</u> During the term of this Lease, Tenant shall comply at its own cost with all Environmental Laws. Tenant shall not Use, or authorize the Use of, any Hazardous Materials on the Premises, including installation of any underground storage tanks, without prior written disclosure to and approval by the Landlord. Tenant shall not take any action that would subject the Premises to permit requirements under RCRA for storage, treatment or disposal of Hazardous Materials. Tenant shall not dispose of Hazardous Materials in dumpsters provided for tenant use. Tenant shall not discharge Hazardous Materials into Project drains or sewers. Tenant shall not cause or allow the Release of any Hazardous Materials on, to, or from the Project. Tenant shall arrange at its own cost for the lawful transportation and off-site disposal of all Hazardous Materials that it generates.
 - <u>38.03</u> <u>Copies of Notices</u>. During the term of this Lease, Tenant shall provide Landlord promptly with copies of all summons, citations, directives, information inquiries or requests, notices of potential responsibility, notices of violation or deficiency, orders or decrees, Claims, complaints, investigations, judgments, letters, notices of environmental liens or Response actions in progress, and other communications, written or oral, actual or threatened, from the United States Environmental Protection Agency, Occupational Safety and Health Administration, Minnesota Pollution Control Agency, or other federal, state or local agency or authority, or any other entity or individual, concerning any Release of a Hazardous Material on, to or from the Premises, the imposition of any lien on the Premises, or any alleged violation of or responsibility under Environmental Laws. Landlord and Landlord's beneficiaries, agents and employees shall have the right to enter the Premises and conduct appropriate inspections or tests in order to determine Tenant's compliance with Environmental Laws.
 - <u>38.04</u> <u>Tests and Reports</u>. Upon written request by Landlord, Tenant shall provide Landlord with the results of appropriate reports and tests, with transportation and disposal contracts for Hazardous Materials, with any permits issued under Environmental Laws, and with any other applicable documents to demonstrate that Tenant complies with all Environmental Laws relating to the Premises.

- <u>38.05</u> <u>Tenant's Obligation to Respond</u>. If Tenant's Use of Hazardous Materials at the Premises gives rise to liability or to a Claim under any Environmental Law, causes a significant public health effect, or creates a nuisance, Tenant shall promptly take all applicable action in Response.
- <u>38.06</u> Indemnification. Tenant shall indemnify, defend, and hold harmless Landlord, its beneficiaries, its lenders, any managing agents and leasing agents of the Premises, and their respective agents, partners, officers, directors and employees and the EDA and Fee Owner of the Project from and against any and all Claims arising from or attributable to any breach by Tenant of any of its warranties, representations or covenants in this Article. Tenant's obligations hereunder shall survive the termination or expiration of this Lease.

39. RELOCATION OF PREMISES

<u>39.01</u> Landlord shall have the right to relocate the Premises to another part of the Project in accordance with the following:

- a. The new premises shall be substantially the same in size, decor and nature as the Premises described in this Lease, and if the relocation occurs after the Commencement Date, shall be placed in that condition by Landlord at its cost.
- b. Landlord shall give Tenant at least thirty (30) calendar days written notice of Landlord's intention to relocate the Premises.
- c. As nearly as practicable, the physical relocation of the Premises shall take place on a weekend and shall be completed before the following Monday. If the physical relocation has not been completed in that time, Rent shall abate in full from the time the physical relocation commences to the time it is completed. Upon completion of such relocation, the new premises shall become the "Premises" under this Lease.
- d. All reasonable costs incurred by Tenant as a result of the relocation shall be paid by Landlord.
- e. If the new premises are smaller than the Premises as it existed before the relocation, Gross Rent shall be reduced proportionately.
- f. The parties hereto shall immediately execute an amendment to this Lease setting forth the relocation of the Premises and the reduction of Rent, if any.

40. PUBLIC ACCOMMODATIONS LAWS

Landlord with respect to the common areas of the Project, if any, and Tenant, with respect the Premises, each covenant and agree to complete any and all alterations, modifications or improvements specifically required by the Americans With Disabilities Act, including, but not limited to, remodeling, renovation,

rehabilitation, reconstruction, changes or rearrangements in structure, and changes or rearrangements to wall configuration or full height partitions which are or become necessary, in order to comply with all Public Accommodation Laws, regardless of whether such modifications are the legal responsibility of Landlord, Tenant or third party. Landlord and Tenant covenant and agree to use their reasonable efforts to insure that any and all alterations, modifications or improvements undertaken pursuant hereto are accomplished in a manner which will not substantially interfere with the others' use or possession of space in the Project or Building. All costs incurred by Landlord to comply with Public Accommodations Laws in any common area shall be included in Project Operating Costs, including the amortization of capital expenditures together with an interest rate of 12% per annum over a period of five years.

Landlord agrees to permit Tenant, at Tenant's cost, to make any improvements or modifications to the Premises which are required by Public Accommodation Laws, and to approve such improvements or modifications, provided that all such improvements or modifications are made in compliance with applicable Public Accommodations Laws. Tenant acknowledges and agrees that, while Landlord may review and approve plans and specifications for Tenant's leasehold improvements, (and may construct Tenant's leasehold improvements for Tenant), Landlord assumes no responsibility for compliance of such plans and specifications, the Premises, or Tenant's leasehold improvements, with Public Accommodations Laws, and Tenant shall hold Landlord harmless from Tenant's failure to comply with the requirements thereof.

For the purposes of this Lease, "Public Accommodation Laws" shall mean all applicable federal, state and local laws, regulations, and building codes, in effect during the term of this Lease, governing non-discrimination in employment, public accommodations and commercial facilities, including, without limitation, the requirements of the Americans With Disabilities Act, 42 USC 12101.

41. MISCELLANEOUS

- <u>41.01</u> <u>Addenda</u>. If any provision contained in a Rider to this Lease is inconsistent with any other provision herein, the provision contained in the Rider shall control, unless otherwise provided in the Rider.
- 41.02 Administrative Fee. If Tenant fails to provide Landlord with any certificate, document, report, statement, agreement, letter, information or signature required by this Lease within ten (10) days after written request by Landlord, then in such event Tenant shall pay an administrative fee of \$200.00 for each additional written request made by Landlord until such requested item is received.
- <u>41.03</u> <u>Captions, Articles and Section Numbers</u>. The captions appearing within the body of this Lease have been inserted for reference only and in no way define, limit or enlarge the scope or meaning of this Lease.
- 41.04 Changes Requested by Lender. Neither Landlord nor Tenant shall

unreasonably withhold its consent to changes or amendments to this Lease requested by a lender on Landlord's interest or the EDA, so long as these changes do not alter the basic business terms of this Lease.

- <u>41.05</u> <u>Choice of Law</u>. This Lease shall be construed and enforced in accordance with the laws of Minnesota.
- 41.06 Consent. Notwithstanding anything contained in this Lease to the contrary, Tenant shall have no claim against Landlord for money damages by reason of any refusal, withholding or delaying by Landlord of any consent, approval or statement of satisfaction. Tenant's only remedies therefor shall be an action for specific performance, or declaratory judgment to enforce any right to such consent.
 - 41.07 Consult Your Attorney. Tenant acknowledges that it has reviewed this Lease and consulted with its attorney concerning this Lease; that is has negotiated any and all provisions of this Lease which it has deemed necessary; that it is not relying on any representations, warranties, or statements of any kind whatsoever made by Landlord or any other person or entity in connection with this Lease other than are expressly set forth herein, and that the general rule of construction that a document will be construed against its draftsman shall not apply with respect to this Lease.
 - 41.08 Corporate Authority. If Tenant is a corporation, limited liability company, limited partnership or partnership, each individual signing this Lease on behalf of Tenant represents and warrants that (s)he is duly authorized to execute and deliver this Lease on behalf of the corporation, and that this Lease is binding on Tenant in accordance with its terms. Tenant shall, at Landlord's request, deliver a certified copy of a resolution of its board of directors or governors authorizing such execution.
 - 41.09 Execution of Lease; No Option. The submission of this Lease to Tenant shall be for examination purposes only, and does not constitute a reservation of or option for Tenant to lease the Premises. Execution of this Lease by Tenant and its return to Landlord shall not be binding on Landlord notwithstanding any time interval, until Landlord has in fact signed and delivered this Lease to Tenant.
 - <u>41.10</u> Form of Payment. If Tenant pays its obligations due under this Lease in the form of a check, and if one or more of said checks is returned to Landlord for insufficient funds during any Lease Year, then in such event Landlord may require Tenant to make further payments due under this Lease in the form of a cashier's check, bank wire transfer, certified funds or other form of secure payment reasonable satisfactory to Landlord.
 - 41.11 Mortgagee Protection. Tenant agrees to send by certified or registered mail to any first mortgagee or beneficiary of Landlord whose address has been furnished to Tenant, a copy of any notice of default served by Tenant on Landlord. If Landlord fails to cure such default within the time provided for in this Lease, such mortgagee or beneficiary shall have an additional thirty (30) days to cure such

- default; provided that if such default cannot reasonably be cured within that thirty (30) day period, then such mortgagee or beneficiary shall have such additional time to cure the default as is reasonably necessary under the circumstances.
- <u>Prior Agreements</u>; <u>Amendments</u>. This Lease contains all of the agreements of the parties with respect to any matter covered or mentioned in this Lease, and no prior agreement or understanding pertaining to any such matter shall be effective for any purpose, except the Lease Agreement dated January 23, 2021, as amended and assigned, shall remain in effect until its expiration date of May 31, 2024. No provisions of this Lease may be amended or added to except by an agreement in writing signed by the parties or their respective successors in interest.
 - 41.13 Recording. Tenant shall not record this Lease without the prior written consent of Landlord.
 - <u>41.14</u> <u>Severability</u>. A final determination by a court that any provision of this Lease is invalid shall not affect the validity of any other provision.
 - 41.15 <u>Successors and Assigns</u>. This Lease shall apply to and bind the heirs, personal representatives, and permitted successors and assigns of the parties.
 - 41.16 Time of the Essence. Time is of the essence of this Lease.
 - <u>41.17</u> <u>Waiver</u>. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent act by Tenant.

The parties hereto have executed this Lease as of the dates set forth below.

Landlord:	Tenant:
Economic Development Authority of the City of Shakopee, Minnesota	John King d/b/a Underground Brazilian Jiu Jitsu, LLC
By: Angelica Contreras Its: President Date:, 2024	By: John King Its: Owner Date:, 2024
By: William Reynolds Its: Executive Director Date:, 2024	

ADDENDUM #1 - OTHER TERMS AND CONDITIONS

- 1. <u>Signage</u>. See also Article 37, Exhibit C and Exhibit F, *Sign Criteria*, attached herein. Common signs already installed by Landlord.
- 2. <u>Tenant Improvement Allowance</u>. Landlord is not providing Tenant a Tenant Improvement Allowance. Tenant is accepting the Premises in as-is where-is condition and shall coordinate and pay for their own improvements to the Premises, subject to necessary approvals and conditions stated elsewhere herein the Lease.
- 3. **Parking**. Tenant shall have a non-exclusive right to use the parking lot on the north side of River City Centre, subject to applicable Rules and Regulations.
- 4. <u>Conversion to Condominium</u>. In the event that River City Centre is converted to the condominium form of ownership, Landlord and Tenant agree to replace this Lease with a new lease with substantially similar terms, subject to the condominium governing documents.

EXHIBIT "A" PREMISES LOCATION PLAN



EXHIBIT "B" LEGAL DESCRIPTION

That part of Block 3 and 4, vacated Lewis Street, vacated Sommerville Street and vacated alley, all contained within SHAKOPEE CITY according to the plat thereof on file and of record in the office of the County Recorder, Scott County, Minnesota, described as follows:

Commencing at the Southeasterly Corner of Block 3, SHAKOPEE CITY; thence North 80 degrees 06 minutes 40 seconds East assumed bearing along the easterly extension of the southerly line of said Block 3 a distance of 46.34 feet to the point of beginning; thence South 80 degrees 06 minutes 40 seconds West along the southerly line of said Block 3 a distance of 668.40 feet; thence North 09 degrees 53 minutes 19 seconds West a distance of 58.43 feet; thence along a tangential curve concave to the east having a radius of 85.00 feet, a central angle of 80 degrees 04 minutes 12 seconds and an arc length of 118.79 feet; thence along a compound curve concave to the south having a radius of 557.15 feet, a central angle of 9 degrees 55 minutes 49 seconds, and an arc length of 96.56 feet; thence North 80 degrees 06 minutes 40 seconds East tangent to said curve a distance of 289.31 feet; thence along a tangential curve concave to the south having a radius of 272.84 feet, a central angle of 24 degrees 12 minutes 29 seconds and an arc length of 115.28 feet; thence South 75 degrees 40 minutes 50 seconds East tangent to said curve a distance of 62.00 feet; thence along a tangential curve concave to the southwest having a radius of 75.00 feet, a central angle of 65 degrees 47 minutes 30 seconds and an arc length of 86.12 feet; thence South 09 degrees 53 minutes 19 seconds East tangent to said curve a distance of 32.68 feet to the point of beginning.

EXHIBIT "C" LANDLORD'S WORK/TENANT'S WORK

In all respects Tenant shall accept the Premises in its current "as-is, where-is" condition.

Landlord installed (in 2024) a front lit sign and a rear internally lit sign at Landlords expense and in conjunction and accordance with the Sign regulations herein.

EXHIBIT "D" GUARANTY AND AGREEMENT

- 1. In consideration of the making, execution and delivery of the Lease dated effective as of June 1, 2024, by and between the Economic Development Authority of the City of Shakopee, Minnesota, a public body corporate and politic and a political subdivision of the State of Minnesota, as Landlord, and Mr. John King, an individual d/b/a/ Underground Brazilian Jiu Jitsu, LLC as Tenant, covering Premises in the Shakopee River City Centre located at 215 1st Avenue East, Shakopee, MN 55379, and for value received, the undersigned John King (the "Guarantor"), does hereby unconditionally guarantee unto said Landlord, its successors and assigns, the full and prompt payment by said Tenant of the rentals and all other sums reserved in said Lease and the full performance by Tenant of all the terms, covenants and conditions therein contained.
- 2. This guaranty shall not be affected by any deviation from or alteration of the terms, covenants or conditions of said Lease or by any permitted assignment or subletting of all or any part of the interest of Tenant therein. This guaranty shall not be released, extinguished, modified or in any way affected by failure on the part of Landlord to enforce any or all of the rights or remedies of Landlord, whether pursuant to the terms of said Lease or at law or in equity.
- 3. This guaranty is a continuing one and shall terminate only upon payment by Tenant of all the rental and other sums in said Lease reserved and upon performance by Tenant of all duties and obligations therein contained.
- 4. The undersigned waives notice (a) of any default by Tenant (i) in payment by Tenant of any of the rental or other sums hereby guaranteed and (ii) in performance by Tenant of the terms, covenants and conditions of said Lease, and (b) of acceptance by Landlord of this guaranty.
- 5. The undersigned consents that Landlord may from time to time extend the time for performance or otherwise modify, amend, alter or change said Lease and any or all provisions thereof and may extend the time for payment of the rental and all other sums hereby guaranteed and may receive and accept notes, checks and other instruments for the payment of money made by Tenant and extensions and renewals thereof without in any way releasing or discharging the undersigned from the undersigned's obligations hereunder. Notice of presentment of any such note or notes and/or notice of default in the payment thereof at maturity and/or protest thereof is expressly waived.
- 6. The undersigned further consents that it shall not be necessary for Landlord, in order to enforce this guaranty, to institute suit or exhaust its legal remedies against Tenant.
- 7. This guaranty may be immediately enforced upon any default by Tenant and the insolvency of Tenant shall be deemed a default.
- 8. In the event any action should be commenced by Landlord against the undersigned to enforce any of the terms or conditions of this guaranty, Landlord shall be entitled to recover from the undersigned hereunder in any such action in which Landlord shall prevail, reasonable

attorney's fees which shall be fixed as part of the costs by the court or judge thereof in which such action shall be pending.

- 9. This guaranty shall inure to the benefit of Landlord and its successors and assigns and shall bind the undersigned and the heirs, executors, administrators, successors and assigns of the undersigned.
- 10. Should the undersigned consist of more than one person, then the obligations imposed under this guaranty shall be joint and several.

	andlord, its successors and assigns. ed Guarantor(s) has (have) executed this
Guaranty thisday of, 2024.	
	GUARANTOR:
	Printed Name: _John King
	Residence:
	Email: john@rgjjmn.com
STATE OF MINNESOTA, COUNTY OF	, ss.:
On this day, personally appeared before me,known to be the person(s) described in and who instrument, and acknowledged that he/she signe deed, for the uses and purposes therein mention	d the same as his/her voluntary act and
Witness my hand and official seal hereto affixed	
this, 202	24.
Notary Public in and for the State of	

EXHIBIT "E" GENERAL SPECIFICATIONS FOR TENANT'S ALTERATIONS OR IMPROVEMENTS

1. Landlord's Approvals of Plans

- All plans for improvements or alterations are subject to Landlord approval; however, such approval does not signify code approval. Tenant shall have sole responsibility for compliance with all applicable statutes, codes, ordinances and other regulations for all work. In instances where several sets of requirements must be met, Landlord's requirements shall govern unless prohibited by code. All conditions and measurements should be field-verified by the Tenant.
- 1.2 Tenant must provide Landlord with Floor Plans and Working Drawings for the Premises. Upon receipt of Tenant's drawings, Landlord shall review and return to Tenant one copy marked either "Approved", "Approved with Changes" or "Revise and Resubmit". Tenant shall resubmit revised drawings within ten working days and the same procedure will be repeated until Landlord initials the drawings "Approved" or "Approved with Changes".
- 1.3 Specific written approval of Landlord is required for the following:
 - a) Drilling, cutting, coring or construction of any openings, penetrations or other alterations or improvements to the demising walls of the Premises, the exterior of the Premises or Building, or floors, columns or roof of the Premises or Building.
 - b) Installation or testing of any alarm or signal system, or any interruption of or connection to the Building fire or life-safety systems.
 - c) Installation or connection to any vents or ductwork, or to any water, sewer, gas, or electrical lines.
 - d) Construction of any mezzanine.
 - e) Installation of any odor-producing equipment.
 - f) Installation of any sign visible from the exterior of the Premises.
 - g) Modifications to Floor Plans or Working Drawings previously approved under Section 1.2 above.

2. Codes, Permits and Insurance

- 2.1 Tenant has full and complete responsibility to comply with all applicable codes, ordinances, statutes and regulations of any governing authority in the design and operation of the Premises, and to obtain all necessary licenses and permits required for construction, occupancy and operation.
- 2.2 Tenant shall obtain a building permit and shall provide Landlord with one set of plans approved by the City of Shakopee and a copy of the permit before commencement of any demolition or construction.

- 2.3 Prior to commencement of any work, Tenant shall provide Landlord with Certificates of Insurance evidencing coverage of Tenant's contractor and subcontractors for Worker's Compensation and Employer's Liability Insurance; Comprehensive General Liability Insurance; and Comprehensive Automobile Liability Insurance. All such certificates shall name Landlord and Landlord's Agent as additional insureds.
- 2.4 Tenant shall provide Landlord with a copy of the Certificate of Occupancy issued by the City of Shakopee upon completion of the work.

3. Construction Rules and Procedures

- 3.1 Tenant or Tenant's contractor shall contact Landlord at least three business days prior to the start of construction and shall provide Landlord with a list of names, addresses and telephone numbers of all contractors and subcontractors that will be involved in the work.
- 3.2 Tenant is responsible for securing the Premises. All property in the Premises shall be there at the risk of Tenant and Landlord shall not liable for damage or theft.
- 3.3 Tenant shall arrange for all utility services to be placed in Tenant's name prior to the start of construction. Tenant nor Tenant's contractor shall not use any common area outlets for utility services. Tenant is responsible for the cost of all temporary utility services during construction.
- 3.4 All trash and construction debris will be contained and disposed of in the manner stated in the Lease.
- 3.5 No contractor parking will be provided.

4. Costs Billed Back to Tenant by Landlord

- 4.1 At Landlord's option, certain portions of Tenant's Work may be performed by Landlord's Contractor and billed back to Tenant. Portions of the work subject to this procedure may include, but are not specifically limited to:
 - a) Final connection to Building power source, water supply line, sewer line, common ductwork or vents, gas lines, sprinkler systems, or fire alarm systems.
 - b) Structural alterations such as core drilling, roof penetrations, cutting or patching of any floors, walls, columns or beams.
 - c) Installation of any fireproofing.
 - d) Reviews of Tenant's plans by Landlord's consultants, as necessary.
 - e) Any alterations, additions or modifications to the Premises' facade, storefront or entryways.

EXHIBIT "F" SIGN CRITERIA

- A. General Criteria The Signage Specification for River City Centre is intended to control the size, type, location, and attachment of signs on the building. Signage should serve to identify the tenants without overpowering the character of the building. It is encouraged that signage be developed in an imaginative and varied manner. All signs shall conform to the criteria set forth hereafter.
- **B.** <u>City Code, Ordinance, and Zoning</u> It is the responsibility of the Tenant to verify that proposed signage design complies with applicable city code, ordinance, and zoning requirements. Any signage not in compliance with the requirements of the City of Shakopee is not allowed.
- **C.** <u>Signage Location</u> River City Centre has signage integral to the identity and operations of the property. This signage is located around the building and at Tenant spaces are as follows:

1. Overall Building Signage

- a. Signage spelling "River City Centre" is located at the north and south side of the skyway that connects the east and west buildings.
- b. Address numbers on the south side of the east building.
- c. Signage spelling "River City Apartments" located over the leasing office main entry.
- d. Address numbers at the leasing office main entry door.
- e. Operational signage including, but not limited to, height clearance, stair, and handicap parking signs.
- f. Plaque signs located under the skyway on the west building.

2. Tenant Signage

- a. Within the 32" high signage band on the south elevation and within the 32" high signage band on the north elevation.
- b. Lettering on tenant main entry doors as identified herein, or approved by Landlord.
- c. Locations at the east and west building elevations as approved by Landlord.
- **D.** <u>Sign Types and Parameters Allowed</u> Tenants are required to identify the Premises with a sign. All signs are subject to the requirements and limitations as outlined herein. The following types and amounts of sign(s) will be permitted:

1. General

- a. Tenant's sign shall be identity sign only.
- b. On the south building elevation signage shall be non-illuminated white painted aluminum cut lettering mounted on painted aluminum rails.
- c. On the north, east, and west building elevations signage shall be individual illuminated letters mounted on an opaque background.
- d. All sign illumination shall be white.

- e. Logos, trademarks, corporate crests, and/or other company insignias will be permitted in the signage band upon Landlord approval. Methods of construction, colors, and installation shall conform to the requirements herein.
- f. Logos will be allowed on Tenant storefronts only when reviewed and approved by Landlord.
- g. Tag lines shall be allowed on an individual basis only and are subject to Landlord approval. Any allowable tag lines shall be individual Illuminated, or non-illuminated, letters (no box signs) and shall not exceed 10" high. The width of the tag line shall not exceed the width established for the primary signage.
- h. Lettering on all store signs shall be limited to business or trade name of the premises as it appears on the lease. No sign manufacturer's name, union labels, or other lettering shall be visible. Logo signs will be reviewed on an individual basis.
- i. Double stack lettering shall be allowed on an individual basis only and are subject to Landlord approval.
- j. Manufacturers' label, clips, brackets, or any other form of extraneous advertising attachment or lighting devices shall be fully concealed from public view.
- k. All illuminated signs from dusk must be turned on until 1:00 A.M. The use of timers and/or photocell for sign and show window lighting is required. Signage control times are subject to change and will need to be coordinated with the Landlord.
- I. All Tenants will be allowed one 4'-0"x8'-0" temporary construction sign prior to any opening of any Project tenants. Coordinate location with Landlord's representative.
- m. All raceways, mounting rails, conduits and attachment components are to be painted to match the brick. Paint color to be Matthews Paint Sedona Red Chip 122. MP15967.
- n. All signage is subject to the approval of the local authorities and Landlord.