



August 7, 2018

Sandy Barin
CBRE
800 LaSalle Avenue
Suite 1900
Minneapolis, MN 55402

via e-mail: sandy.barin@cbre.com

RE: FERGUSON ENTERPRISES – PROPOSAL TO LEASE

Dear Sandy:

Thank you for the opportunity to present the following lease proposal to you and your client, Ferguson Enterprises. Please consider the following;

TENANT:	Ferguson Enterprises, Inc.
LANDLORD:	An Interstate Development Corporation entity
LEASED SPACE:	9,808 square feet of building and all associated parking and land
DELIVERY DATE:	January 1, 2019
RENT COMMENCEMENT DATE:	July 1, 2019
INITIAL LEASE TERM:	Ten (10) years
TI ALLOWANCE:	\$4.00 psf (\$39,232.00)
LANDLORD DELIVERY CONDITION:	Landlord will deliver the Premises 'as-is, where-is'.
BASE RENT:	\$8.92 psf (\$87,528.93 per year), with 2.5% annual increases
ADDITIONAL RENT:	The lease will be an absolute triple net lease, whereas Tenant shall be responsible all operating expenses, taxes and insurance, repairs, maintenance and replacements (excluding the below). Landlord responsible for replacement of Roof & Mechanical (upon failure).
UTILITIES:	Tenant to pay all utilities

SIGNAGE: Maximum allowable per city code

SECURITY DEPOSIT None

RENEWAL RIGHTS Two, 5-year options to renew

This Letter is non-binding on either party until fully executed lease documents are exchanged by both parties and is further subject to final review and approval by Tenant's and Landlord's legal counsel and officers. Thank you for your time and courtesy. Please feel free to call at any time should you have any questions or comments.

Sincerely,


Lonnie Provencher
Partner
Interstater Development

AGREED & ACCEPTED BY:


Ferguson Enterprises, Inc.

Its: Transaction Manager