

STATE OF MINNESOTA

LEASE

LEASE NO. 12460

THIS LEASE is made by and between MFM Properties II, LLC, hereinafter referred to as Landlord, and the State of Minnesota, Department of Administration, hereinafter referred to as Tenant.

WHEREAS, the Commissioner of Administration is empowered by Minn. Stat. §16B.24, subd. 6, to lease non-state owned property;

NOW, THEREFORE, Landlord and Tenant, in consideration of the rents, covenants and considerations hereinafter specified, do hereby agree each with the other as follows.

1. **LEASED PREMISES** Landlord grants and Tenant accepts a lease of the following described Leased Premises located in the City of Sunfish Lake, County of Dakota, Minnesota 55077:

Five (5) bedroom single family residence and approximately seven thousand nine hundred fifty two (7,952) square feet/ acres of land surrounding the residence, as legally described on the attached Exhibit A, located at 25 Sunny Side Lane, Sunfish Lake, MN 55077 .

2. **USE** Tenant shall use and occupy the Leased Premises only as a temporary Governor's Residence and for such related activities.

3. **TERM**

- 3.1 **Term** The term of this Lease is five (5) days and eighteen (18) months, commencing March 27, 2023 ("Commencement Date") and continuing through September 30, 2024 ("Lease Term").

4. **RENT**

- 4.1 **Rent Payment** As rent for the above-described Leased Premises, and in consideration for all covenants, representations and conditions of this Lease, Tenant agrees to pay to Landlord rent for the Lease Term the sum of three hundred fourteen thousand six hundred sixty two and 50/100 dollars (\$314,662.50), in accordance with the rent schedule set forth below:

LEASE PERIOD		MONTHLY PAYMENT	RENT FOR LEASE PERIOD
3/27/23	- 3/31/23	\$ 2,794.50 *	\$ 2,794.50 *
4/1/23	- 9/30/24	\$ 17,326.00	\$ 311,868.00
		TOTAL	\$ 314,662.50
*Prorated rent			

- 4.2 Additional Rent. Upon completion of the carpet installation under section 9.1(e), reimburse Landlord in the amount of fourteen thousand nine hundred nineteen and no/100 dollars (\$14,919.00)
- 4.3 Rent Billing Address All original bills and statements from Landlord to Tenant shall be emailed to: accountspayable.admfmr@state.mn.us
- 4.4 Rent Payment Tenant shall pay Landlord via electronic payment
- 4.5 Landlord Receipt of Rent Landlord represents and warrants that it is solely entitled to all rents payable under the terms of this Lease.

5. LEASE TERMINATION

- 5.1 In the event that the Minnesota State Legislature does not appropriate to the Department of Administration funds necessary for the continuation of this Lease, or in the event that Federal Funds necessary for the continuation of this Lease are withheld for any reason, this Lease may be terminated by Tenant upon giving thirty (30) days written notice.
- 5.2 Pursuant to Minn. Stat. §16B.24, subd. 6, this Lease is subject to cancellation upon thirty (30) days written notice by the Tenant for any reason except lease of other non-state-owned land or premises for the same use.
- 5.3 Notwithstanding Sections 5.1 and 5.2, this Lease may be terminated by Tenant for any reason at any time upon giving ninety (90) days prior written notice to the Landlord.

6. Surrender of Leased Premises Landlord and Tenant hereby agree that at the expiration or earlier termination of this Lease or extension thereof:

- 6.1 Tenant covenants that at the termination of this Lease by lapse of time or otherwise, it shall remove its personal property and vacate and surrender possession of the Leased Premises to Landlord in as good condition as when Tenant took possession, ordinary wear and damage by the elements excepted.
- 6.2 All alterations, additions or improvements made to or installed upon the Leased Premises, whether paid for by Landlord or Tenant, including but not limited to: walls,

floor and wall coverings, supplemental heating, cooling and/or ventilation equipment, fire protection, voice and data cabling, which in any manner are attached to the Leased Premises shall remain the property of Landlord, unless Landlord has granted prior approval upon Tenant's request to remove any alterations, additions or improvements and shall be surrendered with the Leased Premises as a part thereof with no further responsibility or obligation for removal by Tenant. Notwithstanding the foregoing, at the termination of this Lease by lapse of time or otherwise, the Tenant shall reinstall the mudroom storage system and remove exterior security cameras and security monitoring equipment installed by Tenant.

7. **Option to Renew** Landlord grants and Tenant accepts the right to three (3) option(s) to renew this Lease, each for a period of one month (the "Option Period") at the same terms, conditions and monthly rent amount as this Lease as follows:

7.1 **Option One.** Landlord grants and Tenant accepts the right to renew this Lease commencing October 1, 2024 and continuing through October 31, 2024 ("Option One"). To exercise Option One, Tenant must indicate in writing its intent to exercise Option One no later than September 1, 2024.

7.2 **Option Two.** Landlord grants and Tenant accepts the right to renew this Lease commencing November 1, 2024 and continuing through November 30, 2024 ("Option Two"). To exercise Option Two, Tenant must indicate in writing its intent to exercise Option Two no later than October 1, 2024.

7.3 **Option Three.** Landlord grants and Tenant accepts the right to renew this Lease commencing December 1, 2024 and continuing through December 31, 2024 ("Option Three"). To exercise Option Three, Tenant must indicate in writing its intent to exercise Option Two no later than November 1, 2024.

8. **TENANT'S WORK** In addition to the installation of furniture, fixture and equipment, moving in of equipment or other personal property, IT and security systems installation, Tenant may, at its expense, provide labor and materials to perform modifications ("Modifications") to the Leased Premises. Prior to completing any such Modifications on the Lease Premises, Tenant shall obtain written approval from Landlord, which shall not be unreasonably withheld. Upon receipt of description of Modifications, including material and color selections, where applicable, Landlord shall have three (3) business days to approve or reject. If Landlord has not responded in three (3) business day, the Modifications will be deemed approved.

9. **LANDLORD'S WORK**

9.1 Landlord, shall, at its expense, provide labor and materials to perform the following modifications to the Leased Premises as described below, hereinafter referred to as "Landlord's Work"

a. Replace cracked windowpane in living room

- b. Complete water system repairs / service
- c. Complete septic system service
- d. Replace upstairs window(s)
- e. Replace basement and upper-level carpet, including stairways

9.2 Date of Completion Landlord agrees to complete Landlord's Work no later than May 1, 2023. Notwithstanding the foregoing, Landlord and Tenant shall coordinate replacement of the upstairs window(s) upon receipt of the windows by Landlord.

10. **DUTIES OF LANDLORD**

10.1 Real Estate Taxes and Assessments Landlord shall be responsible for all taxes and assessments upon the Leased Premises.

10.2 Holding/Septic Tank During the Lease Term and any extension(s) thereof, Landlord shall, at its expense, maintain, repair and/or replace the property's septic system ("Septic System") in accordance with all governmental rules and regulations. In addition, Landlord shall, at its expense, provide annual or as necessary, pumping and clean out of the Septic System ("Septic System Clean Out"). Upon the request of Tenant, Landlord shall provide documentation of the Septic System Clean Out. In the event Landlord fails to perform the necessary Septic System Clean Out or fails to maintain or repair the Septic System ("Necessary Septic System Action"), Tenant may perform the Necessary Septic System Action and off-set any expense incurred against any rent or other amounts due under this Lease.

10.3 Heating, Ventilating and Cooling System Landlord warrants that the Leased Premises are served by heating, ventilating and cooling facilities in good working condition and of a design capacity sufficient to maintain the Leased Premises within an acceptable range of temperature under all but the most extreme weather conditions, assuming optimal use of Tenant by all thermostats and other climate control devices.

10.4 General Maintenance and Repairs

- a. Landlord shall, at its expense, maintain in working condition, repair or replace as necessary, all Landlord-owned appliances, water heater, water softener and heating, ventilating, and air conditioning system in the Leased Premises, and all appurtenances within the scope of this Lease whether or not the cost of the foregoing was paid for by Landlord or Tenant. This includes inspection and maintenance of the heating, ventilating and air conditioning system on an annual basis.
- b. Landlord shall, at its expense, participate in the HVAC home service type plan described on Exhibit B to ensure proper maintenance and timely repair of the heating and air conditioning systems in the Leased Premises. Landlord shall provide contact information for the home service for Tenant to utilize if needed.

- c. Landlord shall, at its expense, provide repair and maintenance as needed to maintain the Leased Premises in good condition and so as to continue to provide all such service appurtenances as required by this Lease, including the maintenance of proper plumbing, wiring, heating (and where applicable, cooling) devices and ductwork, ventilation system, fireplace, roof, siding, exterior walls, gutters, downspouts, foundations, concrete surfaces, driveways (excepting normal cracking for asphalt), sewer and/or other utilities, whether interior or exterior, above or below ground, including repair and maintenance of improvements or equipment added to the Leased Premises, however, that Landlord shall not be responsible for repairs upon implements or articles which are the personal property of Tenant, nor shall Landlord bear the expense of repairs to the Leased Premises necessitated by damage caused by Tenant beyond normal wear and tear.
- d. Landlord shall, at its expense, complete any necessary repairs or maintenance for Tenant's safe and comfortable use of the Leased Premises in a timely manner. If Landlord does not accomplish a required repair within twenty-four (24) hours or make a reasonable attempt to accomplish a required repair within twenty-four (24) hours, Tenant shall accomplish said repair, maintenance, and/or replacement (as necessarily required) and off-set said cost from the rent payments or other amounts due to Landlord under this Lease.

10.5 Appliances Notwithstanding anything to the contrary contained in this Lease, or any extension, Landlord shall, at its expense, provide the following appliances:

- a. Kitchen stove
- b. Kitchen refrigerator
- c. Kitchen dishwasher
- d. Washing machine
- e. Dryer
- f. Water Heater
- g. Water Softener

10.6 Fire Safety Landlord shall, at its expense, provide, the following:

- a. smoke and carbon monoxide detectors for the Leased Premises as required by applicable codes, ordinances and/or the state fire marshal.

- 10.7 Representations and Warranties To the best of Landlord's knowledge, Landlord is in compliance with all applicable laws, statutes, rules, ordinances and regulations related to the Leased Premises.
- 10.8 Quiet Enjoyment Tenant shall have the quiet enjoyment of the Leased Premises during the full Lease Term and any extension thereof.

11. **DUTIES OF TENANT**

- 11.1 Voice, Data and Cable Service Tenant shall arrange for its own voice, data and cable service and pay all charges for installation and usage directly to the service provider/company.
- 11.2 Utilities Tenant shall pay all costs of utilities, including gas, sewer and water, electricity and heating fuel, which shall be separately metered and billed directly to Tenant by the utility companies.
- 11.3 Trash Removal Tenant shall, at its expense, provide and pay on-going charges for solid waste/trash disposal services.
- 11.4 Tenant agrees to maintain the Leased Premises in a reasonably clean and sanitary condition, including the adjacent yard areas, and to provide complete cleaning service at its expense.
- 11.5 Tenant agrees, at its sole expense, to furnish materials, supplies and labor as necessary to provide or replace any of the following items:
- a. Re-lamping of light fixtures.
 - b. Window coverings, subject to Landlord approval under Section 8
 - c. Bathroom and cleaning supplies.
 - d. House keys except those initially provided by Landlord.
 - e. Replacing batteries in fire alarms and carbon monoxide detectors if alarm beeps indicating replacement is needed.
- 11.6 Tenant shall not use the Leased Premises at any time for any purpose forbidden by law.
- 11.7 Assignment/Sublease Tenant shall not assign, sublet or otherwise transfer its interest in this Lease without the prior written consent of Landlord.

- 11.8 Tenant shall use reasonable care in the occupation and use of the Leased Premises, and shall take precautions to avoid overloading electrical circuits, stopping up plumbing fixtures or damaging any surfaces or allowing the existence of fire hazards.
- 11.9 Tenant agrees to observe reasonable precautions to prevent waste of heat, electricity, water, air conditioning, any other utility or any service, whether such is furnished by Landlord or obtained and paid for by Tenant.
- 11.10 The Tenant shall notify the Landlord of third-party interest received in writing in acquiring the Leased Premises. Notwithstanding the foregoing, notice is not required from Tenant to Landlord for general inquiries or solicitations received from real estate agents or others in the real estate industry.

12. **INSURANCE**

- 12.1 Landlord shall, at its cost, procure and maintain insurance on the Leased Premises, including real and personal property, general liability, and umbrella liability throughout the Lease Term. The general liability shall be in the amount of four million (\$4,000,000 and no/100 dollars) and umbrella liability coverage shall be in the amount of five million (\$5,000,000 and no/100 dollars). The State of Minnesota shall be named as an additional insured on the above policies The Landlord shall provide a certificate of insurance to the Tenant on or before five (5) days from execution of the Lease

The insurance policy(ies) shall be primary and non-contributory insurance to any other valid and collectible insurance available to the Tenant with respect to any claim arising out of this Lease.

- 12.2 Tenant shall, at its cost, maintain insurance or self-insurance on their own personal property located at the Leased Premises

13. **SALE OR TRANSFER** The Landlord agrees to not list for sale, lease, sell, convey, transfer, or assign this Lease or the Leased Premises during the Lease Term.

14. **DEFAULT BY LANDLORD** If Landlord shall default in the performance of any of the terms or provisions of this Lease, Tenant shall promptly so notify Landlord in writing. If Landlord shall fail to cure such default within thirty (30) days after receipt of such notice, or if the default is of such character as to require more than thirty (30) days to cure, and Landlord shall fail to commence to do so within thirty (30) days after receipt of such notice and thereafter diligently proceed to cure such default, then in either event, Tenant, at its sole option, may terminate this Lease upon thirty (30) days written notice or may cure such default. In the event Tenant incurs costs towards curing the default or cures the default, Landlord shall pay all reasonable and actual expenses paid by Tenant to cure said default, including attorneys' fees, within ten (10) days of receipt of invoices therefore are rendered, or Tenant shall have a specific right to set-off any such amounts due from Landlord against any rent payments or other amounts due under this Lease. In the event Tenant elects to terminate this Lease, said termination shall not

limit Tenant's rights to damages caused by the breach and failure to cure. This provision in no way limits Tenant's other remedies for breach under common law or this Lease.

15. **AUDIT** Pursuant to Minn. Stat. §16C.05, subd. 5, the books, records, documents, and accounting procedures and practices of Landlord relevant to this Lease shall be subject to examination by the State and/or Legislative Auditor, as appropriate, for a minimum of six (6) years.
16. **SMOKING** Pursuant to Minn. Stat. §16B.24, subd. 9, Landlord and Tenant shall not permit smoking in the Leased Premises. In addition, Landlord and Tenant shall not permit the use of e-cigarettes, vaping and chewing tobacco in the Leased Premises.
17. **DESTRUCTION OF PREMISES** If the Leased Premises shall be destroyed or damaged by fire, tornado, flood, civil disorder or any cause whatsoever, so that the Leased Premises become untenable or Tenant is unable to conduct its business, the rent payable hereunder shall be abated from the time of such damage and Tenant shall have the option of terminating this Lease immediately or allowing Landlord such amount of time as Tenant deems reasonable to restore the damaged Leased Premises to tenantable condition. Landlord will provide immediate verbal notice and thirty (30) days written notice to Tenant from the date of the damage, of Landlord's intentions to restore, or not restore the Leased Premises.
18. **GOVERNMENT DATA PRACTICES ACT COMPLIANCE**
 - 18.1 Landlord must comply with the Minnesota Government Data Practices Act, Minn. Stat., Chapter 13, as it applies to all data provided by Tenant in accordance with this Lease and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by Landlord in accordance with this Lease. The civil remedies of Minn. Stat. §13.08, apply to Landlord and Tenant.
 - 18.2 Minn. Stat., Chapter 13, provides that all government data are public unless otherwise classified. If Landlord receives a request to release the data referred to in this Clause, Landlord must immediately notify Tenant and consult with Tenant as to how Landlord should respond to the request. Landlord's response shall comply with applicable law, including that the response is timely and, if Landlord denies access to the data, that Landlord's response references the statutory basis upon which Landlord relied. Landlord does not have a duty to provide public data to the public if the public data is available from Tenant.
19. **Radon** Landlord has not undertaken certain environmental and geologic testing to determine the possibility of future radon exposure to occupants of the Leased Premises. If Landlord does in the future test for radon, such testing shall include analysis of soil permeability, testing of ground soil for radon related minerals and a survey of owners of adjacent properties for radon levels of their property. As radon is a naturally occurring substance, no guarantee of nonexistence can be made.

20. **EXTERNAL COMMUNICATIONS.** The Landlord shall coordinate with and receive prior approval from the Tenant on any external communications related to this Lease.
21. **LAWS GOVERNING** This Lease shall be construed and enforced in accordance with the laws of the State of Minnesota.
22. **ENTIRE AGREEMENT** This Lease contains all covenants and agreements between Landlord and Tenant relating in any manner to the Rent, Tenant's use and occupancy of the Leased Premises, and other matters set forth in this Lease. No prior agreements or understandings pertaining thereto shall be valid or of any force or effect and the covenants and agreements of this Lease shall not be altered, modified or amended except in writing signed by Landlord and Tenant.
23. **HEADINGS** The titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.
24. **EXECUTION IN COUNTERPARTS** The Lease may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts of this Lease taken together shall constitute but one and the same Lease.. Delivery of an executed counterpart of this Lease by facsimile or email or a PDF file shall be equally as effective as delivery of an original executed counterpart of this Lease.
25. **NOTICES**
- 25.1 All notices or communications between Landlord and Tenant shall be in writing and deemed to have been given upon the occurrence of one of the following methods of delivery to the address noted in Section 25.2 below.
- a. when personally delivered to the addressee, or
 - b. on the second business day after sender has deposited the registered or certified mailing with the US Postal Service, or
 - c. one (1) business day after deposited with an overnight courier service.
- 25.2 **Mailing Addresses**
- | | |
|-------------------|---------------------------------------|
| Landlord: | Tenant: |
| MFM Properties II | Real Estate and Construction Services |
| PO Box 241 | Department of Administration |
| Campbell St N | 50 Sherburne Ave # 309 |
| Prescott WI 54021 | St Paul MN 55155 |

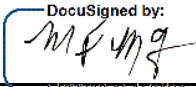
EXHIBITS:

Exhibit A	Legal Description
Exhibit B	HVAC Home Service Plan

IN WITNESS WHEREOF, the parties have set their hands on the date(s) indicated below intending to be bound thereby.

Landlord:
MFM Properties II

Landlord certifies that the appropriate person(s) have executed the Lease on behalf of Landlord as required by applicable articles, bylaws, resolutions or ordinances.

By  _____
EB66005AE1584BA...
President
Title _____
Date 3/24/23 _____

By _____
Title _____
Date _____

Tenant:
STATE OF MINNESOTA
DEPARTMENT OF ADMINISTRATION
COMMISSIONER

DocuSigned by:
By Wayne Waslaski
4D66225F20D2450...

Date _____

STATE ENCUMBRANCE VERIFICATION

Individual signing certifies that funds have been encumbered as required by Minn. Stat. §16A.15 and §16C.05.

DocuSigned by:
By Laura Goiffon
691D107158D3453...
3/24/23

Date _____

300-1192

SWIFT P.O. _____

226631/33823

Contract No. _____

411001

Account Code _____

1000/G0239090/G029100

Fund No. _____

EXHIBIT A
LEGAL DESCRIPTION

Lot 6, Block 1, Knutson Addition

EXHIBIT B**HVAC HOME SERVICE PLAN****Pronto Heating and Cooling VIP Plan**

21-Point Astounding Furnace Tune-Up	Included
21-Point Astounding AC Tune-Up	Included
All Repairs (Furnace, AC, W Heater)	Included
Diagnostics	Included
Overtime Diagnostics	Included
Repair Response	24 hr Guarantee
Parts/labor Warranty on Repairs	Included
Priority Installation Guarantee	Next Weekday
New Equip or Acc/IAQ Discount	10%
Filter Discounts	20%
Night Time/Weekend Service	First Priority