

**Instructions for Lease Agreement – Minnesota State as Tenant**

**(With Leasehold Improvements)**

**Use:** This Lease Agreement – Minnesota State as Tenant with Leasehold Improvements template is for use when a Minnesota State College/University/system office is a Lessee (referred to as the “Tenant” in the following Lease), and is leasing space in a building owned by an individual or entity separate from the College or University, for a term of one (1) year or longer. A Facilities Use Agreement should be used for use of space for a period of less than one (1) year. Use this template if there ARE to be Leasehold Improvements to the Leased Premises.

[System Procedure](http://www.minnstate.edu/board/procedure/607p3.html): 6.7.3 Use of Non-College and University Facilities (College or University as Lessee/Tenant).

**Related Documents:** [Checklist 6.7.3.1](http://www.minnstate.edu/board/procedure/607p3.html) Leasing and Using Off-Campus Facilities

**Document Details:**

* **Lease Numbering** – Use “T” (for “Tenant”) followed by the three digit campus ID, the last two digits of the fiscal year that the lease starts, and sequential numbering based on the order the lease was started.
  + (example: T-203-1301 refers to the first tenant lease entered into by Alexandria Technical College in FY13)
  + With more than one lease starting at the same time, use the largest lease (in square footage) as the first number.
* **Leased Premises -** insert description of leased space – for example - “Approximately one hundred ninety (190) useable square feet of office space and twenty five (25) useable square feet of storage space, on the second floor of [insert building name], located at 2606 Wheat Drive.” Be sure to include:
* Room and/or building name/number
* Square footage
* Any parking, storage or other common uses.
* **Approval authority –** Check signature authority. College and university presidents and the Director, Capital Development, may enter into Facilities Agreements on campus that are valued at $100,000 or less and for five (5) years or less in length (including all renewal options), using Minnesota State standard forms. The College or University shall maintain copies of all Facilities Agreements. Agreements expected to last one year or longer shall be provided to the system office after execution. Facilities Agreements lasting less than one year may be provided at the discretion of a College or University or upon request from the system office.
* **Vice Chancellor - Chief Financial Officer approval -** Required for all Facilities Agreements where the overall value is greater than $100,000 or is expected to last longer than five (5) years, including all options to renew. The Vice-Chancellor - Chief Financial Officer signs all easements and licenses, or may delegate that authority as appropriate.
* **Board of Trustees approval** is required for all Facilities Agreements where the overall value is greater than three million dollars ($3,000,000), including renewal of existing agreements.
* **Conflict of Interest** - Does an employee, their relative, or anyone affiliated with Minnesota State, have a financial interest in this property? If so, disclose this information to, and seek advice from, the Office of General Counsel prior to proceeding.

**Instructions for Completion of Minnesota State approved template:**

* Instructions for completing this form are in italics and brackets. Please complete every field and delete all instructions, including the brackets.
* Any modification of forms approved by the System Office or the use of a non-system office form requires review by Real Estate Services and/or system legal counsel and approval of the Vice Chancellor - Chief Financial Officer. System legal counsel includes either the Minnesota State Colleges and Universities General Counsel or the Minnesota Attorney General's Office. Real Estate Services is located within Facilities in System Office - Finance Division.



**LEASE AGREEMENT - MINNESOTA STATE AS TENANT**

**(With Leasehold Improvements)**

TOTAL AMOUNT: *[$ Insert total lease amount over term]*

THIS LEASE AGREEMENT is made by and between *[INSERT LANDLORD’S LEGAL NAME],* a *[insert LANDLORD’s legal entity],* located at *[insert LANDLORD’s legal address]*, hereinafter referred to as LANDLORD, and the **STATE OF MINNESOTA, BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES ON BEHALF OF** *[INSERT NAME OF COLLEGE/UNIVERSITY/SYSTEM OFFICE]*, located at *[insert College/University’s legal address]*, hereinafter referred to as MINNESOTA STATE or TENANT,

WHEREAS, the Board of Trustees of Minnesota State Colleges and Universities is empowered by Minn. Stat. §136F.06, to lease non-state property for use by its colleges and universities, and

WHEREAS, the LANDLORD is the owner of *[insert building/land or space name]* (the “Building”), located at *[insert full address, city, state or identifying location],* and desires to lease space in the property to TENANT, and

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 the lease of the following described Leased Premises located in the City of *[insert City]*, County of *[insert County]*, Minnesota; more particularly described as:

*[insert complete address of property]*, including:

Exclusive use of approximately *[insert number]* square feet designated as Suite/s No. *[insert number and include any exclusive parking, storage space, telecommunications or other space that campus will have exclusive use of]*, on the *[insert number]* floor of the Building, shown in cross-hatching/outlining on the floor plan, which is attached and incorporated as **Exhibit A** as part of this Lease Agreement (hereinafter defined as the “Leased Premises”).

1. USE.

TENANT shall use and occupy the Leased Premises for higher education purposes and for such activities related to TENANT’s operation as a Minnesota State Colleges and Universities system member institution leased location, or for any other lawful purpose.

1. TERM.

Subject to Section 4(e), the term of this Lease Agreement shall commence on *[insert month, day and year]*, (the “Commencement Date”), and end on *[*insert month, day and year*]*, unless otherwise sooner terminated as provided in this Lease. LANDLORD grants and TENANT accepts a right to enter the Leased Premises prior to the Commencement Date at no charge, for purposes consistent with the terms of a Work Letter, which is attached and incorporated as **Exhibit C** as part of this Lease Agreement, to install furnishings, fixtures and equipment necessary to allow TENANT’s occupancy.

1. RENT.
   1. Rent is payable to LANDLORD based on the following schedule:

*[insert complete information in spaces below]*

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Term** | **Usable Square Feet** | **Monthly Rent Amount** | **Annual Rent Amount** | **Total Over Term** |
| 00/00/0000 – 00/00/0000 |  | $ | $ |  |
| 00/00/0000 – 00/00/0000 |  | $ | $ |  |
| 00/00/0000 – 00/00/0000 |  | $ | $ |  |
| 00/00/0000 – 00/00/0000 |  | $ | $ |  |
| 00/00/0000 – 00/00/0000 |  | $ | $ |  |
|  |  |  |  | $ |

* 1. TENANT shall not be responsible for payment of any additional rents or “pass-throughs” or operating costs or LANDLORD’s expenses whatsoever, and all costs including, but not limited to all typical expenses paid to operate and maintain a commercial building, including, but not limited to, all tax costs, including real estate taxes and special assessments, building insurance, maintenance, repairs, all utilities including but not limited to electricity, gas, and all the sources of energy required to provide utility service, including all heating and cooling, lighting, sewer and water, janitorial services and common area maintenance expenses (all of the above collectively referred to as “Operating Expenses”), shall be borne by the LANDLORD.
  2. **Rent shall be paid monthly in arrears**. LANDLORD shall provide TENANT with a monthly invoice for the applicable rental month. TENANT shall mail or deliver the monthly rent set forth above at the end of the applicable calendar month to LANDLORD at LANDLORD’s notice address as set forth in this Lease. Rent for a partial month, if any, shall be equitably prorated.
  3. LANDLORD represents and warrants that it is solely entitled to all rents payable under the terms of this Lease Agreement. LANDLORD further represents and warrants that it is registered with the Secretary of the State to do business in the State of Minnesota and will continue to provide the documentation required by the Secretary of State’s office to remain in good standing. In the event that LANDLORD changes names or rent delivery instructions, due to a move, corporate merger, acquisition or reorganization, LANDLORD shall provide TENANT with written notice within thirty (30) days of proposed change, with instructions regarding the new delivery address or LANDLORD details. TENANT may require additional updated information be submitted to TENANT by LANDLORD, to ensure compliance with the State of Minnesota financial and accounting payment system, which LANDLORD agrees to provide within ten business days of TENANT’s written request.
  4. LANDLORD shall deliver the Leased Premises to TENANT, in conformance with the standards as set forth in Exhibit B, attached and incorporated as part of this Lease Agreement, along with LANDLORD’s Work, attached and incorporated as **Exhibit D** as part of this Lease Agreement, in Substantially Complete condition (as defined in **Exhibit C**) by the Commencement Date as set forth in Paragraph 3, TERM. Any work LANDLORD performs in the Leased Premises will be substantially complete and the Leased Premises will be in good and clean condition at the time of delivery. If LANDLORD’s Work is not Substantially Complete by the Substantial Completion Date defined in Exhibit C, then the Commencement Date and related obligation to pay rent will be postponed accordingly until Substantial Completion of the Leased Premises has been achieved by LANDLORD and LANDLORD delivers possession to TENANT. If the Commencement Date is postponed by one month or more, the termination date will be postponed by one month for each month or partial month of postponement of the Commencement Date. If the Commencement Date and/or termination date of the Lease are revised pursuant to this paragraph, LANDLORD and TENANT will execute a written lease amendment signed by both parties and setting forth such change.

* 1. LANDLORD will provide TENANT with a tenant improvement allowance in the amount of $*[Insert dollar amount in words and numbers (e.g. One hundred Twenty and 00/100 Dollars ($120.00). If none, insert “Zero Dollars ($0.00)]*. Any LANDLORD’s Work in excess of this amount shall be paid for by LANDLORD or TENANT, as determined in accordance with **Exhibit C.**

1. TERMINATION.
   1. In the event that the Minnesota State Legislature does not appropriate to the Board of Trustees of the Minnesota State Colleges and Universities funds necessary for the continuation of this Lease Agreement, or if the Governor unallots funds necessary for the continuation of this Lease Agreement, or in the event that Federal funds necessary for the continuation of this Lease Agreement are withheld for any reason, this Lease Agreement may be terminated by TENANT upon giving thirty (30) days written notice.
   2. Consistent with Minnesota Statutes, Section 16B.24, Subdivision 6, this Lease Agreement is subject to cancellation upon thirty (30) days written notice by TENANT for any reason except lease of other non-state-owned land or premises for the same use.
   3. TENANT covenants that at the termination of this Lease Agreement by lapse of time or otherwise, it shall remove its personal property and vacate and surrender possession of the Leased Premises to LANDLORD. Any furnishings, equipment, trade fixtures and technology installed by TENANT for its own use, including but not limited to movable partitions, shelving units, projection screens, wireless internet service, and audio-video equipment attached to the Leased Premises by TENANT, shall remain the property of TENANT unless TENANT chooses not to remove them. TENANT shall have the option to remove the above equipment or fixtures at the expiration or termination of the Lease Agreement or any extension thereof, even though said equipment or fixtures are attached to the Leased Premises, and may enter the Leased Premises for this purpose for a period of five (5) business days following the termination of the Lease.
2. BUILDING PERFORMANCE SPECIFICATIONS AND STANDARDS

LANDLORD shall deliver and maintain the Building consistent with the performance specifications and standards attached and incorporated as **Exhibit B** as part of this Lease Agreement.

1. OPERATING EXPENSES AND SERVICES.
   1. Operating Expenses for a Gross Lease: LANDLORD shall bear the cost of all typical costs and expenses paid to operate and maintain a commercial building, collectively referred to as Operating Expenses, as set forth in Paragraph 4.b. above.
   2. Energy Conservation: In the event any kind of energy conservation measures are enacted or required by State or Federal authority, it is hereby agreed that LANDLORD shall reduce the quantity of utilities and services as may be specifically required by such governmental orders or regulations. Utilities, within the meaning of this article, include heat, cooling, gas, electricity, water and all the sources of energy required to provide said service.
   3. Exterior Lighting: LANDLORD shall provide adequate exterior lighting in the parking lots, building entrance/exits and loading dock areas.
   4. ADA Accessibility Guidelines: LANDLORD agrees to provide and maintain the Leased Premises and the Building consistent with accessibility and facilities meeting code requirements for persons with disabilities, including but not limited to, Title II and III of the Americans with Disabilities Act (ADA) as may be amended from time to time, all applicable laws, rules, ordinances and regulations as issued by any federal, state or local political subdivisions having jurisdiction and authority in connection with said property.
   5. Management: LANDLORD agrees that in exercising its management responsibilities of the property of which the Leased Premises are a part, including the maintenance, repair, alterations and construction relating thereto, it shall comply with all applicable laws, statutes, rules, ordinances and regulations, as issued by any federal, state, or local political subdivisions having jurisdiction and authority in connection with said property, including but not limited to building code, disabilities access, zoning, air quality, pollution control, recyclable materials and prevailing wage requirements. LANDLORD shall use commercially reasonable efforts to employ practices that protect occupants’ health and ensure conservation of natural resources, including recycling of recyclable materials, in the operation and maintenance of the Building and the Leased Premises.
2. ACCESS TO PREMISES.

TENANT shall allow access to the Leased Premises by LANDLORD or its authorized representatives at any reasonable time during the life of this Lease Agreement for the purpose of operation, maintenance, inspection, display and repairs of the Leased Premises or the Building, upon reasonable advance notice.

1. ASSIGNMENT AND SUBLEASE.

TENANT shall not assign, sublet, or otherwise transfer its interest in this Lease Agreement without the prior written consent of LANDLORD, which consent shall not be unreasonably withheld. LANDLORD will be deemed to consent to an assignment, sublease or transfer if LANDLORD fails to respond within thirty (30) days of written request to LANDLORD’s notice address. TENANT reserves the right to assign, sublet, or otherwise transfer its interest in this Lease Agreement without the prior written consent of LANDLORD within its own system, as now or may be established under the jurisdiction of the Minnesota State Colleges and Universities. In addition, no transfer of custodial control between Minnesota State system institutions, State agencies or renaming of a State agency will constitute an assignment.

1. ALTERATION TO PREMISES.

TENANT shall make no alterations, additions, or changes in the Leased Premises with a cost in excess of $500, without the advance written consent of LANDLORD which such consent shall not be unreasonably withheld.

1. MAINTENANCE AND REPAIRS.
   1. Maintenance: LANDLORD shall maintain in working condition and good repair, all appurtenances within the scope of this Lease Agreement, including the maintenance of proper plumbing, wiring, heating (and, where applicable, cooling) devices and ductwork.
   2. Heating, Ventilation, and Air Conditioning (HVAC) Maintenance. LANDLORD shall, at its expense, maintain and make such necessary repairs to HVAC equipment, whether or not the HVAC equipment was paid for by TENANT. LANDLORD shall document maintenance on the heating, ventilating and air conditioning system (e.g., filter changes and cleaning methods and procedures).
   3. Repairs: LANDLORD shall be responsible for all structural components, including roof, building envelope, and foundation, and all common areas of the Building, and shall perform such maintenance and make such necessary repairs so as to continue to provide all such service appurtenances as are required by this Lease Agreement, provided, however, that LANDLORD shall not be responsible for repairs upon implements or articles which are the personal property of TENANT. LANDLORD will be responsible to repair and maintain the Leased Premises, including interior walls, ceilings, windows and doors.
   4. Janitorial Service: LANDLORD shall provide janitorial services and supplies to the Leased Premises and common areas of the Building.
   5. Snow Removal: LANDLORD shall keep the public sidewalks adjacent to the Building and any sidewalks or stairways leading from the public sidewalks to the Building free from snow, ice and debris, including the parking lot. Snow plowing, snow shoveling and ice removal must be completed by 6:30 a.m., unless snow or wind conditions make this impractical. If the snow and ice removal is not completed by 6:30 a.m., LANDLORD will make every effort to complete the snow removal as soon as possible.
2. LEASEHOLD IMPROVEMENTS.

LANDLORD shall complete all of the Work as described on Exhibit D in or for the Leased Premises in accordance with TENANT’s approved Construction Plans and Specifications as set forth in Exhibit C, “Work Letter” (“Landlord’s Work”). All LANDLORD’’s Work shall conform to the Building Performance Specifications and Standards set forth in Exhibit B. Such Landlord’s Work will also be referred to as the “Leasehold Improvements.”

1. DELIVERY OF LEASED PREMISES:

LANDLORD covenants that it will deliver the Leased Premises to TENANT in a clean and sanitary condition with all systems, services, appurtenances, and leasehold improvements (if applicable) included within the scope of this Lease Agreement in effect and in good running order and that are in compliance with all applicable laws, ordinances, and regulations of any governmental authority having jurisdiction, including, without limitation, the Americans with Disabilities Act.

1. EXPANSION SPACE

In the event TENANT leases any additional space elsewhere in the Building, the rent for said space shall be calculated at the finished office space rate per square foot per year that is in effect under this Lease Agreement at that time, or at the publicly advertised rate per square foot per year for similarly finished office space in the Building at that time, whichever is lower. LANDLORD shall provide improvements to the expansion space comparable to the improvements provided to the space leased under this Lease Agreement. An amendment to this Lease Agreement shall be executed setting forth the amount of such expansion space, the effective date of TENANT’s right of occupancy, and the amount of additional rent that shall be due and payable to LANDLORD.

1. NET USABLE SPACE MEASUREMENTS

The LANDLORD represents that it has based the Leased Premises space calculation on an area measurement by an architect or professional qualified to measure interior building areas based on the following standard of measurement. For purposes of this Lease Agreement, the area of the Leased Premises shall match the following standard, which shall be based on measuring to the inside finished surface of exterior walls, to the inside finished surface of building corridor and other permanent walls or to the centerline partition of walls separating the Leased Premises from other tenant space or common area space. If more than 50% of an exterior wall is glass, the dimension is taken from the interior glass line; otherwise, to the interior finished surface. Vertical shafts, elevators, stairwells, flues, pipe shafts, dock areas, mechanical rooms, and utility and janitor rooms that serve more than the Leased Premises shall be excluded. Restrooms, corridors, lobbies and receiving areas which are accessible to the general public or used in common with other tenants are also excluded. No deductions are made for columns, pilasters or other projections to the building if each is less than four (4) square feet. Prior to the Commencement Date, the TENANT shall have the right at its own expense to hire an architect to determine the actual measurement of the area based on the above standard. If TENANT’s architect determines that the area of the Leased Premises is less than what LANDLORD has calculated, Rent due under this Lease shall be adjusted accordingly. In that case, LANDLORD and TENANT shall enter into an amendment to this Lease setting forth the newly calculated Rent amount and adjustments as set forth in Section 4 a.

1. QUIET ENJOYMENT.

TENANT shall have the quiet enjoyment of the Leased Premises during the full term of the Lease Agreement and any extension or renewal thereof.

1. DESTRUCTION OF LEASED PREMISES

If the Leased Premises is destroyed or damaged by fire, tornado, flood, civil disorder, or any cause whatsoever, so that the Leased Premises become untenantable, the rent shall be abated from the time of such damage and TENANT shall have the option of terminating this Lease Agreement immediately or allowing LANDLORD such amount of time as TENANT deems reasonable to restore the damaged Leased Premises to tenantable condition.

1. INSURANCE

General Liability and Property Damage Requirements. It shall be the duty of LANDLORD and TENANT to maintain insurance or self-insurance on their own property, both real and personal. For purposes of this Agreement, LANDLORD shall maintain applicable insurance coverage consistent with the coverages outlined on **Exhibit E*,*** attached hereto and made a part of this Lease Agreement, at LANDLORD’s sole expense during the term of this Lease Agreement. LANDLORD and TENANT shall provide each other with evidence of insurance, upon request. Notwithstanding anything apparently to the contrary in this Lease Agreement, LANDLORD and TENANT hereby release one another and their respective partners, officers, employees and property manager from any and all liability or responsibility to the other or anyone claiming through or under them by way of subrogation or otherwise for loss or damage covered by said insurance, even if such loss or damage shall have been caused by the fault or negligence of the other party, or anyone for whom such party may be responsible.

1. LIABILITY

LANDLORD and TENANT agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. TENANT’s liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section 3.736, and other applicable law.

1. BUILDING ACCESS

LANDLORD shall provide for access to the Leased Premises twenty four (24) hours per day, seven (7) days per week, for authorized employees of TENANT. LANDLORD shall initially provide appropriate types/quantities of Building keys at no charge for TENANT’s use based upon TENANT’s anticipated occupancy. Additional keys, if needed, shall be promptly provided by LANDLORD upon TENANT’s request.

1. PARKING

LANDLORD shall provide *[insert number of parking spaces and/or location, or name of parking area]* for the use of TENANT, its invitees, licensees and guests. It is understood by LANDLORD and TENANT that there is no additional rental charge for parking provided in this Lease Agreement.

1. NOTICES

All notices, requests, and other communications between LANDLORD and TENANT that are required or that LANDLORD or TENANT elect to deliver shall be deemed sufficiently given or rendered if in writing and delivered to either party personally, by a recognized overnight courier service or by United States mail, first-class, certified or registered, postage prepaid, (return receipt required) addressed as follows:

LANDLORD: *[insert name, title if necessary]*

*[insert full address, city state, zip code]*

*[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]*

ATTN:

TENANT: *[insert name, title if necessary]*

*[insert full address, city state, zip code]*

*[\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_]*

ATTN:

With a copy to: Minnesota State Colleges and Universities

ATTN: Real Estate Services

30 E. 7th Street, Suite 350

St. Paul, MN 55101

*[Optional:* With a copy to the occupant of the Leased Premises.*]*

***[Optional: All original bills and statements from LANDLORD to TENANT shall be mailed or personally delivered to the occupant of the Leased Premises only]***

1. NEW LANDLORD

In the event the Leased Premised or the Building shall be sold, conveyed, transferred, assigned, leased or sublet, or if LANDLORD shall sell, convey, transfer, or assign this Lease Agreement or rents due under this Lease Agreement, or if for any reason there shall be a change in the manner in which the rental reserved hereunder shall be paid to LANDLORD, proper written notice of such change must be delivered to TENANT as promptly as possible, but in no event shall written notice delivery exceed thirty days. TENANT has no obligation to pay Rent to a new landlord unless it has received written notice of such change. TENANT’s “Transfer of Ownership of Lease” document shall be executed by LANDLORD and TENANT, in order that TENANT is provided with authorization to issue payments to a new party.

1. DEFAULT.

TENANT shall be in default if: a.) TENANT shall fail to pay monthly rental payment as provided, and such failure continues for a period of ten (10) days after the due date thereof, and if TENANT shall fail to cure such default for more than thirty (30) days after written notice by LANDLORD to TENANT; or b.) TENANT violates or fails to perform other required conditions or covenants of the Lease, and such default continues for thirty (30) days after written notice by LANDLORD to TENANT or if the default is of such character as to require more than thirty (30) days to cure, TENANT shall fail to commence to do so within thirty (30) days after receipt of such notice and thereafter diligently proceed to cure such default. LANDLORD’s remedy in such cases shall be to terminate the lease upon providing TENANT with forty-five (45) days written notice. This remedy shall not limit LANDLORD’s other remedies available to it under law or equity, but in no event will LANDLORD be entitled to consequential damages.

LANDLORD shall be in default if upon written notice to LANDLORD that LANDLORD has failed to perform any of the terms or provisions of this Lease Agreement, 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, 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. TENANT may cure such default and any reasonable and actual expenses paid by TENANT shall be paid by LANDLORD to TENANT within ten (10) days after statement therefore is rendered. TENANT shall have a specific right to set-off any such amounts against any rent payments or other amounts due under this Lease Agreement. In lieu of curing said default, TENANT shall have the specific right to set-off against any rent payments or other amounts due under this Lease Agreement any damages incurred through the LANDLORD’s breach. This provision in no way limits TENANT’s other remedies for breach under common law or this Lease Agreement.

1. AUDIT

The books, records, documents and accounting procedures and practices of LANDLORD relevant to this Lease Agreement shall be subject to examination by the State/Minnesota State and/or Legislative Auditor during normal business hours and after reasonable notice to LANDLORD for a period of six years following termination of the Lease Agreement, or as required by law.

1. HUMAN RIGHTS

When applicable, LANDLORD certifies that it has received a certificate of compliance from the Commissioner of Human Rights pursuant to Minnesota Statutes, Section 363A.36, or that it has not had more than 40 full-time employees at any time during the previous 12 months and claims exemption from Minnesota Statutes, Section 363A.36.

1. SIGNS

LANDLORD will provide TENANT with updated suite identification using building standard signage on the entrance to TENANT’S’s suite and on the tenant directory in the lobby, if applicable, at LANDLORD’s cost. LANDLORD grants TENANT the right to have its name displayed on signage on the front exterior of the Building in a size and location which is in keeping with existing Building exterior signage and meets governmental regulations, at TENANT’s cost.

1. ENVIRONMENTAL

LANDLORD warrants that, to the best of LANDLORD’s knowledge there do not, and there will not on the Commencement Date, exist any Hazardous Substance, including mold in, on or about the Leased Premises. LANDLORD has delivered to TENANT complete copies of all reports relating to the environmental condition of the Leased Premises and underlying land in its possession or control, including but not limited to those assessing the presence or absence of Hazardous Substances and violations of or compliance with Environmental Law. “Hazardous Substance” means any pollutant, contaminant, toxic or hazardous waste, potentially dangerous substance, noxious substance, toxic substance, flammable, explosive or radioactive material, urea formaldehyde foam insulation, asbestos, PCBs, or any other substance the removal of which is required, or the manufacture, preparation, production, generation, use, maintenance, treatment, storage, transfer, handling, or ownership of which is restricted, prohibited, regulated, or penalized by any and all federal, state, county, or municipal statutes or laws now or at any time hereafter in effect, including but not limited to, the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. § 9601, et seq.), the Hazardous Materials Transportation Act (49 U.S.C. § 5101 et seq.), the Resource Conservation and Recovery Act (42 U.S.C. § 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C. § 1251 et seq.), the Clean Air Act (42 U.S.C. § 7401 et seq.), the Toxic Substances Control Act, as amended (15 U.S.C. § 2601 et seq.), and the Occupational Safety and Health Act (29 U.S.C. § 651 et seq.) as these laws have been amended or supplemented (such laws are collectively referred to as “Environmental Law”). LANDLORD will defend and indemnify TENANT from any claims, liabilities, penalties, costs, fines, damages, or expenses, including all attorney’s fees, which TENANT incurs arising out of the presence of any Hazardous Substances placed, stored, or generated on or about the Leased Premises, except to the extent any such liability arises from the TENANT’s own actions.

1. CONDEMNATION

In the event of a taking of the whole or substantially all of the Leased Premises, this Lease shall terminate on the date of such taking, and the Rent shall be apportioned and paid to the date of such taking. In the event of a taking of less than substantially all of the Premises, at the TENANT’s option, this Lease may be terminated by the TENANT upon thirty (30) days written notice. If the TENANT determines not to exercise its option to terminate the Lease, the Lease shall continue in full force and effect and LANDLORD shall with reasonable diligence commence and complete restoration of the Leased Premises except to the extent made unfeasible by any reduction in area of the Leased Premises caused by such taking. Rent shall be reduced by an amount equal to the proportionate area of the Leased Premises taken, and be further reduced in an equitable amount in respect of any taking of the appurtenances thereto. In the event of any such taking and notwithstanding the termination of this Lease, all damages, awards and payments for the taking will belong to the LANDLORD regardless of the basis upon which they were made or awarded, except that TENANT will be entitled to any amounts specifically awarded by the condemning authority to TENANT for the value of TENANT’s leasehold interest, relocation, damage to TENANT’s property or business loss. As used herein, a taking of substantially all of the Leased Premises shall mean a taking of such portion as renders it uneconomical or unfeasible to operate the Leased Premises for the purpose for which the Leased Premises were operated prior to such taking.

30. LANDLORD REPRESENTATIONS.

LANDLORD represents and warrants that it is the owner in fee simple of the Building and underlying real property. LANDLORD represents that entering into this Lease will not cause LANDLORD to violate any other agreement to which LANDLORD is a party. LANDLORD represents that a certificate of occupancy has been issued for the Building, and that to its knowledge, the Building is in compliance with all federal, state or local laws and regulations, including local zoning ordinances.

1. ENTIRE AGREEMENT

The Lease Agreement documents, which constitute the entire Lease Agreement between the parties except for agreed upon written amendments issued after execution of this Lease Agreement, are enumerated as follows:

* Lease Agreement
* **EXHIBIT A**, Leased Premises
* **EXHIBIT B**, Performance Specifications and Standards
* **EXHIBIT C**, Work Letter
* **EXHIBIT D**, Landlord’s Work
* **Any Subsequent amendments, addendum properly executed by the parties.**

*[If applicable include: THE REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK if document as completed ends in the middle of a page.]*

IN WITNESS WHEREOF, the parties have caused this Lease Agreement to be duly executed intending to be bound thereby.

**APPROVED:**

**LANDLORD*:*** *[insert name of Landlord here]*

LANDLORD certifies that the appropriate person(s) have executed the contract on behalf of LANDLORD as required by applicable articles, by-laws, resolutions, or ordinances.

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[Print name here]*

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**TENANT**: STATE OF MINNESOTA, BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES ON BEHALF OF *[insert name of College/University/System Office]*

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*[Print name here]*

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

**VERIFIED AS TO ENCUMBRANCE:**

Employee certifies that funds have been encumbered as required by Minnesota Statute §16A.15.

Expenditure Authorization Entered

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

As to form and execution

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Title: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

### EXHIBIT A: LEASED PREMISES

*[Insert a building/floor plan with the Leased Premises clearly marked. This* ***Exhibit A****, with Floor Plan, MUST be fully completed and attached to the Lease Agreement prior to signing.]*

### EXHIBIT B: PERFORMANCE SPECIFICATIONS AND STANDARDS

1. Electrical Service: LANDLORD shall provide adequate electrical service, including electrical outlets, to the Leased Premises for normal office use, and to the Building in which the Leased Premises is a part.
2. Lighting: LANDLORD shall provide the Leased Premises with overhead lighting in accordance with TENANT’s construction plans. LANDLORD to re-lamp light fixtures and replace light ballasts as needed.
3. Heating and Cooling: LANDLORD warrants that the Leased Premises is served by heating and cooling facilities of a design capacity sufficient to maintain the Leased Premises within the acceptable range of temperature identified below under all but the most extreme weather conditions, assuming optimal use by TENANT of all thermostats and other climate control devices, such as the opening and closing of blinds, doors and vents within the Leased Premises. For purposes hereof,the acceptable ranges of temperature are as follows:
   1. From October 1 through April 30, between 68 and 74 degrees.
   2. From May 1 through September 30, between 72 and 76 degrees.
4. Ventilation
   1. LANDLORD shall provide a minimum of 20 cubic feet of outdoor fresh air per minute per person in the Leased Premises as outlined in Table 2 of ASHRAE (American Society of Heating, Refrigeration and Air Conditioning Engineers, Inc.) Standard 62-1989. An air cleaning device shall be used in the ventilation system which filters the outdoor air and shall have a minimum filtration efficiency rating of 30 percent as measured by ASHRAE Standard 52-92 Atmospheric Dust Spot Efficiency Rating. If air filters are used, LANDLORD shall change the filters at least three (3) times per year, preferably in March, July and November, or more often as required.
   2. Where there is a secondary filtration system, such as buildings with heat pumps, the secondary filtration system shall have a minimum filtration efficiency rating of ten (10) percent as measured by ASHRAE Standard 52-92 Atmospheric Dust Spot Efficiency Rating. If air filters are used, LANDLORD shall change the filters at least two (2) times per year, or more often if required.
   3. LANDLORD shall remove and replace any building material with visible or detected evidence of water infiltration or mold growth.
5. Restrooms: LANDLORD shall provide the Leased Premises with separate restroom facilities for both men and women. Such facilities shall either be situated within the Leased Premises or easily accessible thereto. LANDLORD warrants that said restrooms are in compliance with the Americans With Disabilities Act (the “ADA”) requirements.
6. Sustainable Building Guidelines: LANDLORD agrees, when feasible, to follow the State of Minnesota Sustainable Building Guidelines (www.msdg.umn.edu) for maintenance and improvements to the Leased Premises. Feasibility shall be determined by LANDLORD, in its sole discretion, and consider such factors as long term costs and benefits over the term of the lease, performance, aesthetics, material/labor availability and impact on building valuation. Application of the guidelines for future changes to the Leased Premises shall be at TENANT’s discretion and expense.
7. Fire Safety: LANDLORD shall, at its expense, provide and maintain all fire extinguishers, fire alarms and fire detection systems for the Leased Premises and Building as required by applicable codes/ordinances and /or the state fire marshal.
8. Trash Removal: LANDLORD shall provide the Leased premises with a means or system of waste or trash disposal. Consistent with Minn. Stat. 16B.24, subd. 6(d), LANDLORD shall provide space for recyclable materials. LANDLORD shall, at its expense, provide recycling services, including transporting recycling barrels from the Leased Premises to a holding area as mutually agreed to by the parties.
9. Common Areas: LANDLORD shall provide sufficient light, heat and maintenance to the common areas and public access areas to the Leased Premises, including stairways, elevators, lobbies, and hallways, so that such areas shall be safe and reasonably comfortable.
10. Environmental. LANDLORD shall ensure that hazardous materials or toxic substances, consistent with Paragraph 30 of this Lease Agreement, do not currently exist in, and will not be incorporated in the Landlord’s Work in, the Leased Premises.
11. Telecommunications. LANDLORD shall provide, at its expense, the following telecommunications requirements:
    1. establish and identify the secure location of the minimum point of presence (MPOP) for dial tone and network services provided by the telephone company and/or internet provider;
    2. provide a clean and secure telecommunications equipment room (or area) on the floor(s) of which the Leased Premises is a part, including dedicated electric power outlet(s) with the necessary required amperage and receptacle type(s), as well as adequate cooling and ventilation.;
    3. provide all required cabling from the MPOP to the telecommunications panel on the floor of which the Leased Premises is a part for present and future requirements;
    4. provide secure access for wiring from the telecommunications equipment room (or area) on each floor to each workstation location on the floor;
    5. identify the access to the building grounding electrode; and
    6. remove all cable/wiring that does not meet building code and/or is no longer in use.

### EXHIBIT C: WORK LETTER

### (LANDLORD responsibility to perform LANDLORD’s Work)

This letter describes LANDLORD's and TENANT's obligations regarding the Leasehold Improvements to be constructed in the Leased Premises. This Work Letter is a part of this Lease and all actions and obligations hereunder are subject to all terms and conditions of this Lease unless expressly provided otherwise herein. Capitalized terms that are not otherwise defined in this Work Letter have the meanings set forth in this Lease. Any breach or default by LANDLORD or TENANT under this Work Letter also constitutes a default under this Lease Agreement.

LANDLORD’s Work or the Leasehold Improvements means the all work set forth in this Lease Agreement, including but not limited to this Work Letter and Exhibits B and D, to be performed by LANDLORD to prepare the Leased Premises for TENANT’s occupancy.

1. General Requirements. LANDLORD shall perform all of Landlord’s Work in a good and workmanlike manner, in compliance with all applicable laws, statutes, codes, and as set forth in Exhibit B, “Performance Standards and Specifications”. LANDLORD and all of its design professionals, contractors, and trade subcontractors will be properly certified, licensed and qualified to perform the work necessary and required for the completion of the Leasehold Improvements in full compliance with the Construction Plans and Specifications, without misunderstanding or unexpected cost. LANDLORD warrants to the TENANT that all materials and equipment incorporated in the Leasehold Improvements will be new unless otherwise approved in advance by TENANT. LANDLORD shall promptly correct Leasehold Improvements rejected by TENANT and known to be defective or failing to conform to the Construction Plans and Specifications and other provisions of the Lease Agreement, whether observed before or after the Acceptance Date (defined in Paragraph 11. Section.b. of this Exhibit C: Work Letter).
2. LANDLORD and TENANT Obligations Before Construction
   1. Preliminary Plans. Within five (5) business days following full execution of this Lease Agreement, LANDLORD’s architect shall prepare preliminary space plans, and a general preliminary budget for the Leasehold Improvements (“Preliminary Plans”), which shall include without limitation, sketches, and/or drawings showing the location of doors, partitioning, electrical fixtures, outlets and switches, plumbing fixtures, and a list of all specialized installations and improvements and upgrades required for TENANT to use the Leased Premises. TENANT shall cooperate with LANDLORD’s architect and supply all information deemed necessary by LANDLORD’s architect for the preparation of the Preliminary Plans. TENANT acknowledges that the Preliminary Plans shall be prepared by LANDLORD’s architect after consultation and cooperation between TENANT, TENANT’s architect, and LANDLORD’s architect. The costs associated with preparation of the Preliminary Plans shall be borne by the LANDLORD. TENANT and LANDLORD will review such plans and provide any comments within five (5) business days of receipt of the plans.
   2. Construction Plans and Specifications. Within five (5) business days following the fifth day of the comment period described above, in Paragraph 2. Section a., of this Exhibit C: Work Letter, LANDLORD’s architect shall prepare construction plans and specifications together with a preliminary line item budget (“Construction Plans and Specifications”) for the Leasehold Improvements based upon the approved Preliminary Plans and TENANT’s and LANDLORD’s comments, if any. The LANDLORD shall bear the cost of the Construction Plans and Specifications and shall include architectural, mechanical, and electrical construction drawings for the Leasehold Improvements based on the Preliminary Plans. Notwithstanding the Preliminary Plans, the Construction Plans and Specifications;
      1. shall be subject to both TENANT and LANDLORD’s final approval, which approval shall not be unreasonably withheld
      2. shall not be in conflict with building codes for the city/county or other governmental authorities or with insurance requirements, and
      3. shall be in a form satisfactory to appropriate governmental authorities responsible for issuing permits and licenses required for construction.
   3. Approval of Construction Plans and Specifications. LANDLORD or LANDLORD’s architect shall submit the Construction Plans and Specifications to TENANT for TENANT’s review according to the schedule outlined above in Paragraph 2. Section b., of this Exhibit C: Work Letter. TENANT shall notify LANDLORD or LANDLORD’s architect within five (5) business days after delivery of any revisions to either the Construction Plans and Specifications or the preliminary line item budget.

If TENANT requests changes to the Construction Plans and Specifications, LANDLORD’s architect shall amend the Construction Plans and Specifications to incorporate TENANT’s comments within five (5) business days after receipt of TENANT’s notice, and shall provide TENANT with two (2) copies of the revised Construction Plans and Specifications and preliminary line item budget for TENANT’s final review and approval. TENANT will provide comments within five (5) business days. If TENANT does not approve the revised Construction Plans and Specifications, LANDLORD’s architect will again revise them for TENANT’s review and approval subject to the above procedure.

In case of disapproval of the preliminary line item budget, TENANT shall direct LANDLORD and LANDLORD’s architect to amend the Construction Plans and Specifications in a manner satisfactory to reduce the estimated costs to an amount acceptable to TENANT. LANDLORD’s architect shall make all approved revisions and/or budgetary changes within five (5) business days after receipt of TENANT’s notice, and shall provide TENANT with two (2) copies of revised Construction Plans and Specifications and preliminary line item budgets to TENANT for final review and approval. If satisfactory, TENANT’s approval shall be provided within five (5) business days. If said cost reduction cannot be made satisfactorily to both Parties, TENANT may 1) direct LANDLORD’s architect to again amend the Construction Plans and Specifications and preliminary line item budget subject to the procedure described above, or 2) cancel this lease with written notice to LANDLORD within ten (10) business days of LANDLORD’s presentation of said estimates. In case of termination, each Party shall absorb its own out-of-pocket costs to date, except that, to the extent of available appropriations, TENANT will reimburse LANDLORD for fifty (50) percent of the actual cost of the Construction Plans and Specifications to date, with no further obligation by either Party.

LANDLORD shall coordinate all approval processes with the city or governmental authorities, and any changes to the Construction Plans and Specifications required by the city or governmental authorities shall be immediately shared with TENANT. In the event a change to the Construction Plans and Specifications required by a city or governmental authority would increase the preliminary budget for the Leasehold Improvements by more than five (5) percent, TENANT shall have the right to terminate the Lease, and if TENANT terminates the Lease and to the extent of available appropriations, shall reimburse LANDLORD for fifty (50) percent of the actual cost incurred in producing the Preliminary Plans and Construction Plans and Specifications.

* 1. Schedule of Critical Dates. Set forth below is a schedule of certain critical dates relating to LANDLORD and TENANT’s obligations for the design and construction of the Leasehold Improvements. The purpose of the schedule is to provide a reference for LANDLORD and TENANT for ease in following milestones dates. Following the Final Approval Date, TENANT shall be deemed to have released LANDLORD to commence construction of the Leasehold Improvements as set forth in the Work Letter.
     1. “Preliminary Plan Completion” by LANDLORD shall be provided to TENANT five (5) business days after full execution of the Lease
     2. TENANT’s Comments on Preliminary Plan are due five (5) business days after receipt of the Preliminary Plans.
     3. “Construction Plans and Specifications” are due from LANDLORD five (5) business days after LANDLORD’s receipt of TENANT’s Comments on Preliminary Plans.
     4. If revisions are needed, TENANT’s Comments on Construction Plans and Specifications are due from TENANT five (5) business days after LANDLORD submits Construction Plans and Specifications to TENANT. LANDLORD shall repeat the process of delivering Construction Plans and Specifications to TENANT with TENANT’s revisions within five (5) business days of TENANT’s response, and TENANT shall repeat the process of delivering TENANT’s Comments on Construction Plans and Specifications with revisions within five (5) business days of receiving LANDLORD’s revisions until TENANT approves or terminates this Lease Agreement as set forth in Paragraph 2, Section c. of this Exhibit D: Work Letter.
     5. If TENANT approves the Construction Plans and Specifications, TENANT shall submit written approval to LANDLORD within five business days of receipt of Construction Plans and Specifications, and LANDLORD and TENANT shall proceed to Paragraph 2, Section vi of this Exhibit D: Work Letter.

vi. “Final Approval Date” is the date TENANT approves of the Construction Plans and Specifications and/or any subsequent revisions, in writing, to LANDLORD.

1. Building Permit. After the Final Approval Date has occurred, LANDLORD shall, if LANDLORD has not already done so, submit the Construction Plans and Specifications to the appropriate governmental body or bodies for final plan checking and building permit. LANDLORD with TENANT’s cooperation shall make any changes in the Construction Plans and Specifications necessary to obtain a building permit; provided, however, after the Final Approval Date, no changes shall be made without the prior written approval of both the LANDLORD and TENANT, and then only after agreement by the parties as to who will pay any excess cost resulting from such changes.
2. Construction of Leasehold Improvements. After the Final Approval Date has occurred and a building permit has been issued, LANDLORD shall undertake a competitive bid process with no fewer than two (2) reputable, licensed contractors. LANDLORD, at its sole discretion, shall select a contractor and shall, through a guaranteed maximum cost or fixed price (at LANDLORD’s sole option) enter into a Construction Contract (“Construction Contract”) with the selected contractor. LANDLORD shall supply TENANT with an itemized tabulation of bids received and shall immediately provide copies of bids received and copies of contracts/purchase orders awarded. The guaranteed maximum or fixed cost shall not be subject to adjustments as a result of errors, omissions and non-compliance with all applicable federal, state and local laws, ordinances, building and other codes, and Labor Standards and Wage requirements of Minnesota. The contractor shall cause the Leasehold Improvements to be constructed in substantial conformance with the Construction Plans and Specifications in a good and workmanlike manner using new and preferably sustainable building materials. LANDLORD shall ensure that the construction complies with all applicable building, health, fire and sanitary codes and regulations, up to and include the successful issuance of a certificate of occupancy for the Leased Premises by the appropriate governmental authority.
3. Leasehold Improvement Allowance. LANDLORD shall provide TENANT with a Leasehold Improvement Allowance in the amount of $ *[INSERT DOLLAR AMOUNT IN WORDS AND NUMBERS e.g, FIFTY and 00/100 Dollars ($50.00)]* per square foot for a total of *[INSERT DOLLAR AMOUNT IN WORDS AND NUMBERS, e.g, FIFTY THOUSAND and 00/100 Dollars ($50,000.00)]* toward the cost of design, purchase and construction of Leasehold Improvements, including without limitation design, engineering, construction, and consulting fees (“Leasehold Improvement Costs”). LANDLORD may elect to hire a construction manager or owner’s representative, which cost shall be excluded from the Leasehold Improvements and be the sole cost and responsibility of LANDLORD.

The Leasehold Improvement Allowance shall be used for payment of the following Leasehold Improvement costs:

* 1. Preparation by LANDLORD or LANDLORD’s architect of the Preliminary Plans and Construction Plans and Specifications, including all fees charged by governmental authorities (such as building permits or plan reviews) in connection with the Leasehold Improvement work on the Leased Premises;
  2. Construction Work for completion of the Leasehold Improvements as reflected in the Construction Contract;
  3. All contractor’s charges, general conditions, performance bond premiums and construction fees.

1. Costs in Excess of Leasehold Improvement Allowance. TENANT shall pay the excess of the Leasehold Improvement costs over the amount of the available Leasehold Improvement Allowance, except for change orders requested by LANDLORD for which LANDLORD is responsible pursuant to Section 9 below as stated in this Exhibit C to Lease Agreement. TENANT’s obligation to pay Leasehold Improvement costs is subject to TENANT’s rights in Section 2(c) to request revisions in the preliminary budget and/or terminate the Lease.

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1. Unused Leasehold Improvement Allowance. If costs fall below the Leasehold Improvement Allowance, LANDLORD shall reduce TENANT’s Rent by the amount of unused Leasehold Improvement Allowance dollars. The credit will be applied against the Rents due to LANDLORD until the credit is utilized to the full extent of the unused dollars.
2. Final Costs. Within sixty (60) days after completion by LANDLORD of the Leasehold Improvements, LANDLORD shall determine the actual final Leasehold Improvement costs and shall submit a written statement of such amount to the TENANT.
3. Change Orders. LANDLORD AND TENANT may from time to time request and obtain change orders during the course of construction provided that:
   1. such request shall be reasonable, in writing and signed by both LANDLORD and TENANT; and
   2. all additional charges and costs, including without limitation architectural and engineering costs, construction and material costs, and processing costs of any governmental entity shall be the sole and exclusive obligation of the party requesting the change order. If such Change Order is requested by LANDLORD, such change order cost will not reduce the amount of the remaining Leasehold Allowance.
   3. All change orders necessitated by the environmental condition of the Building, such as the presence of asbestos, shall be at LANDLORD’s sole cost and shall not reduce the Leasehold Allowance.

TENANT shall have no liability for any change order not specifically approved by TENANT in writing.

1. Trade Fixtures, Furnishings, and Equipment. TENANT acknowledges and agrees that it shall be responsible for obtaining, delivering and installing the trade fixtures, furnishings and equipment needed to operate the Leased Premises consistent with the terms of the Lease Agreement. LANDLORD shall allow TENANT, prior to the Commencement Date, to install the trade fixtures, furnishings and equipment, and will work with TENANT to ensure delivery and installation can proceed within TENANT’s timing requirements. TENANT agrees to work with LANDLORD to avoid interfering or delaying the build out of the Leased Premises during said delivery and installation of trade fixtures, furnishings, and equipment.
2. Punch List; Acceptance of Leased Premises.
   1. “Substantial Completion”, Substantially Completed”, and Substantially Complete”, for purposes of this Lease Agreement shall mean that i) the LANDLORD’s Work is complete and has been performed in substantial conformity with the provisions of the Lease Agreement, including this Work Letter and the Construction Plans and Specifications as may be revised by any Change Orders, except for minor Punch List items, and ii) the LANDLORD’s Work is in compliance with all applicable Laws to permit lawful occupancy and iii) to the extent required by applicable Laws to permit lawful occupancy and use of the Leased Premises, a certificate of occupancy for LANDLORD’s Work has been issued and remains outstanding and all other related legal requirements have been fulfilled.
   2. Within three (3) business days after LANDLORD's Work is Substantially Complete and LANDLORD has tendered exclusive possession of the Leased Premises to TENANT, LANDLORD and TENANT shall conduct a "walk through" inspection of the Leased Premises and make a list of incomplete items of LANDLORD’s Work, (Punchlist). LANDLORD shall complete all Punchlist items within ten (10) days following Substantial Completion. Provided the Punchlist items are not material in nature and provided it shall not restrict the delivery of a certificate of occupancy by the appropriate governmental entities, TENANT shall thereafter accept delivery (the “Acceptance Date”) of the Leased Premises. Notwithstanding the foregoing, LANDLORD shall promptly correct Leasehold Improvements rejected by TENANT and known to be defective or failing to conform to the Construction Plans and Specifications and other provisions of the Lease Agreement, whether observed at time of Punchlist or later.

WHEREFORE, LANDLORD and TENANT have executed and delivered the Work Letter as of the Date of Lease.

|  |  |
| --- | --- |
| LANDLORD:  **[*INSERT LANDLORD ENTITY HERE*]**  By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ | TENANT:  **STATE OF MINNESOTA, BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES, ON BEHALF OF *[Insert College/University/System Office Name here]***  By:\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Its: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_  Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ |

**EXHIBIT D: LANDLORD’S WORK**

**EXHIBIT E:**

**GENERAL INSURANCE REQUIREMENTS**

POLICY REQUIREMENTS

1. Workers’ Compensation Insurance

A. Statutory Compensation Coverage

B. Coverage B – Employers Liability with limits of not less than:

$100,000 Bodily Injury by Disease per Employee

$500,000 Bodily Injury by Disease Aggregate

$100,000 Bodily Injury by Accident

2. General Liability Insurance

A. Minimum Limits of Liability:

$2,000,000 – Per Occurrence

$2,000,000 – Annual Aggregate

$2,000,000 – Annual Aggregate applying to Products/Completed Operations

B. Coverages:

X Premises and Operations Bodily Injury and Property Damage

X Personal & Advertising Injury

X Blanket Contractual

X Products and Completed Operations

X Other; if applicable, please list\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

X State of Minnesota or Minnesota State Colleges and Universities named as Additional Insured

Additional Insurance Conditions

* LANDLORD’s policy(ies) shall be primary insurance to any other valid and collectible insurance available to the State of Minnesota with respect to any claim arising out of the LANDLORD’s performance under this Lease Agreement.
* LANDLORD agrees to notify the State of Minnesota within five (5) business days with a copy of the cancellation notice, unless TENANT’s policy(ies) contain a provision that coverage afforded under the policy(ies) will not be cancelled without at least thirty (30) days advance written notice to the State of Minnesota
* LANDLORD is responsible for payment of Lease Agreement related insurance premiums and deductibles.
* If LANDLORD is self-insured, a Certification of Self-Insurance must be attached.
* LANDLORD’s policy(ies) shall include legal defense fees in addition to the liability policy limits.
* LANDLORD shall obtain insurance policy(ies) from insurance company(ies) having an “AM Best” rating of A- (minus), Financial Size Category of VII or better, and authorized to do business in the State of Minnesota.
* An Umbrella or Excess Liability insurance policy may be used to supplement the LANDLORD’s policy limits to satisfy the full policy limits required by the Lease Agreement.